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Daily Report

East Asia

FBIS-EAS-96-149
Thursday
1 August 1996

Daily Report
East Asia

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Japan

Japan: MITI Minister Comments Prior to Beginning Chips Talks

OW0108000396 Tokyo KYODO in English 2340 GMT 31 Jul 96

[FBIS Transcribed Text] Vancouver, July 31 KYODO — Japanese and U.S. trade ministers reopened their talks late in the afternoon Wednesday [31 July] after overnight efforts to persuade industry executives to work out a private-sector framework ahead of the 9 P.M. deadline to resolve the bilateral microchip dispute.

"The U.S. side seems to be having more difficulties than expected to encourage the industry," Japanese International Trade and Industry Minister Shumpei Tsukahara told reporters as he entered a negotiation venue at the Japanese delegation's hotel in Vancouver.

"I'll see what she has to say," he remarked, expressing concern over widening problems as he headed into the meeting with acting U.S. trade representative Charlene Barshefsky.

The meeting lasted about 50 minutes. Tsukahara and Barshefsky agreed to resume talks later in the day, sources close to the meeting said.

Tsukahara told reporters on leaving the meeting room that Barshefsky offered him a new proposal.

But he declined to elaborate on the details of the proposal.

The Japan-U.S. semiconductor accord which expires Wednesday calls on Tokyo to ensure a foreign market share of more than 20 percent through quarterly market surveys.

Japan has rejected any new arrangements suggesting numerical targets now that the foreign share has topped 30 percent.

Japan has also proposed replacing the current pact with a global government forum that will hold an annual joint meeting with a Japanese industry-proposed world semiconductor council — an idea blending the U.S. demand for a government role in industry-level activities and Tokyo's insistence on no government involvement.

Tokyo Reportedly Makes 'Major Concessions' Over U.S. Chip Proposal

OW0108112396 Tokyo KYODO in English 1103 GMT 1 Aug 96

[By Kohei Murayama]

[FBIS Transcribed Text] Vancouver, Aug. 1 KYODO — Japan and the United States continued working here to put the final touches to their microchip agreement early Thursday beyond their deadline after Japan made significant compromises over an earlier U.S. proposal.

Japanese negotiators have made "MAJOR CONCESSIONS" to the new proposal, particularly over the thorniest issue of whether to continue a government role in monitoring market access to Japan, a U.S. negotiation source said.

The compromises came at a working-level session late Wednesday after the 9 P.M. deadline — the time in Washington when the current 1991 bilateral semiconductor agreement expired.

Based on the Japanese compromise plan, the two nations are putting the final touches to the deal before Japanese International Trade and Industry Minister Shumpei Tsukahara and Acting U.S. Trade Representative Charlene Barshefsky adopt the new agreement by 5 A.M., a Japanese official said.

The official said the U.S. side wants to complete the process of drafting the agreement by 6 A.M. at the latest when President Bill Clinton holds a press conference in Washington.

Both trade chiefs have been under pressure ahead of the Wednesday deadline set in late June by Clinton and Japanese Prime Minister Ryutaro Hashimoto.

The unexpected delay past the deadline reflected Barshefsky's difficulty in persuading U.S. industry representatives to reach an agreement with the Japanese industry over a new framework for cooperation.

The Electronic Industries Association of Japan and the U.S. Semiconductor Industry Association said early Thursday that they will issue a statement after 6 A.M.

Both industries' executives have been holding meetings, while also consulting with their government negotiators.

The microchip deal is expected to result in both industries announcing an agreement to conduct joint surveys of market share on the sidelines of a vague government agreement for monitoring market access — a scenario resembling the high-profile bilateral auto trade accord reached last summer.

The U.S. is expected to announce a unilateral calculation and publication of foreign market share in Japan, while seeking some verbal or off-the-record indication from Japan to ensure market access.

Under the auto trade accord, the U.S. side announced its estimates of how much the agreement would help increase access to Japan, while the Japanese side brushed aside the figures as a unilateral U.S. move not stipulated in the agreement.

On the sidelines of the auto trade talks, Japanese automakers announced plans to boost production in North America, and the U.S. automakers vowed to step up their sales efforts in Japan.

The move toward an agreement came soon after the second minister-level talks last Tuesday, where Barshefsky conveyed her willingness to act flexibly on the Japanese proposal by encouraging U.S. industry leaders to consider Tokyo's position.

At the third session late Wednesday afternoon, Barshefsky presented the new U.S. proposal after her talks overnight and through the day with U.S. industry leaders as well as through some sessions with Japanese industry representatives.

Under the new U.S. proposal, a negotiation source said Washington drops "preserve and continue" from a new bilateral agreement, and replaces them with "assess trend."

The U.S. proposal offers the compromise of having Japanese and U.S. industries take over the market survey, but maintains the U.S. demand for government monitoring of market access and for a new bilateral treaty, the source said.

The U.S. continues to call for a bilateral treaty that will eventually evolve into multilateral arrangements, including with the European Union.

The U.S. negotiation source did not elaborate on Japan's compromise, apart from a plan it conveyed to the U.S. side late Monday.

Japanese sources said Monday's proposal featured an acceptance of transferring the market surveys to both industries.

As for the thorniest issue of government involvement, the Japanese plan opened the way for the U.S. side to make concessions, while preserving Japan's basic stance of no commitment, the sources said.

The current accord calls on Tokyo to ensure a foreign market share of more than 20 percent through quarterly market surveys by both governments, but Japan has rejected any new language and arrangements suggesting a new numerical target now that the foreign share has topped 30 percent.

Japan has opposed any government role over market access, and has called for a "joint statement" instead of a treaty or other forms that are subject to U.S. retaliatory trade laws.

Tokyo has called for replacing the current bilateral treaty with a global body that will hold an annual joint meeting with a Japanese industry-proposed world semiconductor council — an idea aimed at blending the U.S. demand for a government role in industry-level activities and Tokyo's insistence on no government involvement.

Japan: Trade Officials Expected To Continue Talks in Vancouver

OW0108154696 Tokyo KYODO in English 1531 GMT 1 Aug 96

[FBIS Transcribed Text] By kohei murayama

Vancouver, Aug. 1 KYODO - Japan and U.S. Trade chiefs continued working in Vancouver, Canada, to put the final touches to their microchip agreement Thursday beyond the Wednesday deadline after Japan made significant compromises to an earlier new U.S. proposal.

Japanese International Trade and Industry Minister Shumpei Tsukahara and Acting U.S. Trade Representative Charlene Barshefsky failed to conclude an agreement at a meeting early Thursday morning which was also attended by industry leaders of both nations.

But the two trade chiefs agreed to meet again at 10 A.M. in a last-ditch effort toward an agreement, Tsukahara told reporters as he emerged from the talks.

The Japanese minister said he will take his working officials to the next meeting to "be prepared for drafting a final agreement" if we can resolve the remaining differences.

Tsukahara said the Japanese industry leader "gave him all the discretion for a decision" at the next meeting, and the chances of an agreement depend on whether the U.S. industry will do the same with Barshefsky.

The U.S. trade chief left the negotiation room to call the White House, Tsukahara noted.

U.S. President Bill Clinton was scheduled to hold a press conference to discuss the trade talks, Japanese officials said.

U.S. officials were not immediately available to comment on the meeting.

The Japanese officials said the U.S. side had wanted to complete the drafting process by 7 A.M. at the latest when Clinton was scheduled to meet the press in Washington, but the Barshefsky- Tsukahara talks failed to produce the agreement by then.

Japanese negotiators have made "major concessions" to the new U.S. proposal, particularly over the thorniest issue of whether to continue a government role in monitoring market access to Japan, a U.S. negotiation source said.

The compromises came at a working-level session late Wednesday [31 July] after the 9 P.M. deadline — the time in Washington when the current 1991 bilateral semiconductor agreement expired.

Both trade chiefs have been under pressure ahead of the Wednesday deadline set in late June by Clinton and Japanese Prime Minister Ryutaro Hashimoto.

The unexpected delay past the deadline reflected Barshefsky's difficulty in persuading the U.S. industry representatives to reach an agreement with the Japanese industry over a new framework for cooperation, the officials said.

The Electronic Industries Association of Japan and the U.S. Semiconductor Industry Association said early Thursday that they will issue a statement after 6 A.M.

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The move toward an agreement came soon after the second minister- level talks late Tuesday, where Barshefsky conveyed her willingness to act flexibly on the Japanese proposal by encouraging U.S. industry leaders to consider Tokyo's position.

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Japan has opposed any government role over market access, and has called for a "joint statement" instead of a treaty or other forms that are subject to the U.S. retaliatory trade laws.

Tokyo has called for replacing the current bilateral treaty with a global body that will hold an annual joint meeting with a Japanese industry-proposed World Semiconductor Council — an idea aimed at blending the U.S. demand for a government role in industry-level activities and Tokyo's insistence on no government involvement.

Tokyo, Washington Plan Swift End to Insurance Talks

OW0108082696 Tokyo KYODO in English 0805 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Japan and the United States are working to settle a contentious bilateral insurance dispute before U.S. President Bill Clinton meets the press Thursday morning Washington time, a Japanese Government official said.

Finance Minister Wataru Kubo talked on the phone Thursday afternoon, Japan time, with Acting U.S. Trade Representative Charlene Barshefsky, who is in Vancouver, Canada, for Japan-U.S. semiconductor and insurance talks.

At the talks, Japan and the U.S. "made progress in some areas," although they still remained apart, the Japanese official said.

The two sides vowed efforts to wrap up the insurance talks by 7 A.M. Thursday, Vancouver time, when Clinton will hold a press conference in Washington, the official said.

Kubo and Barshefsky agreed to do their utmost to settle the dispute, though time is running out, the official said.

Eisuke Sakakibara, head of the ministry's International Finance Bureau, is holding intermittent talks on the insurance issue in Vancouver with Ira Shapiro, senior counsel and negotiator at the Office of the U.S. Trade Representative.

Japanese and U.S. negotiators have been working against time in Vancouver to resolve the microchip and insurance disputes by Wednesday's deadline set by Japanese Prime Minister Ryutaro Hashimoto and President Clinton.

Though semiconductor negotiators missed the deadline of 9 P.M. Wednesday local time they had set, they are continuing their efforts to hammer out an agreement.

Shapiro is in charge of both the microchip and insurance talks. Barshefsky told Kubo that she had urged Shapiro to meet with Sakakibara as soon as possible, the Japanese official said.

On the insurance front, Japan and the U.S. are wrangling over access to the personal accident insurance market by major Japanese life insurers through nonlife subsidiaries they plan to establish in the fall.

The U.S. wants such access to be frozen for three years, though Japan is ready to accept a wait of two years. To win a U.S. compromise, Japan is proposing liberalizing auto insurance premiums and lifting a ban on mail-order sales of auto insurance policies.

Japan: Negotiators Making Last-Ditch Effort for Insurance Pact

OW0108092196 Tokyo KYODO in English 0857 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Japan and the United States are continuing last-ditch efforts in Vancouver, Canada, to settle the bilateral insurance dispute, Vice Finance Minister Tadashi Ogawa said Thursday.

Although the target date of Wednesday, agreed on by Prime Minister Ryutaro Hashimoto and President Bill Clinton in late June, passed, the two countries are now continuing efforts to wrap up their insurance talks, Ogawa said at a news conference.

While declining to go into specifics, Ogawa said progress has been seen in some areas, but the two countries are still at loggerheads over some points.

Japan and the U.S. started senior-level talks in Vancouver Tuesday [30 July], but failed to hammer out an accord by Wednesday's deadline on Japan's measures to liberalize its insurance market.

Finance Minister Wataru Kubo and Acting U.S. Trade Representative Charlene Barshefsky agreed over the phone Thursday afternoon, Japan time, to continue talks and seek an agreement by 7 A.M. Thursday, Vancouver time, when President Clinton will hold a press conference in Washington.

Japan: Official: 'No Change' in Negotiating Stance on Insurance

OW0108144496 Tokyo KYODO in English 1433 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Japan and the United States are still at loggerheads over Japan's measures to liberalize its insurance market, despite their all-night efforts to settle the issue, a Finance Ministry official said Thursday night.

The two countries held on-again, off-again talks in Vancouver, Canada, to strike a deal by Thursday morning local time, but they remain "far apart" on the issue, the official told reporters.

To break the impasse, Finance Minister Wataru Kubo and Acting U.S. Trade Representative Charlene Barshefsky may hold further telephone talks shortly, he said.

At the senior-level talks which started Tuesday [30 July], Japan and the U.S. failed to hammer out an agreement on the insurance issue by the self-imposed deadline of Wednesday.

As a result, Kubo and Barshefsky held telephone talks Thursday afternoon, Japan time, and agreed to seek an accord by 7 A.M. Thursday, Vancouver time.

The ministry official said there is no change in Japan's negotiating stance. If the U.S. shows flexibility in the insurance talks, Japan will reciprocate, he said.

Japan: Okinawa Rejects Hashimoto's Request on Bases Land Use

OW0108041096 Tokyo KYODO in English 0402 GMT 1 Aug 96

[FBIS Transcribed Text] Naha, Japan, Aug. 1 KYODO — The Okinawa prefectural government Thursday rejected Prime Minister Ryutaro Hashimoto's request to take action on renewing compulsory leases on privately owned land inside Kadena Air Base and 10 other U.S. military facilities in the southernmost prefecture.

The decision against the forced land lease contracts, which will expire in May next year, came at a meeting of top officials convened by Okinawa Vice Gov. Masanori Yoshimoto on behalf of Gov. Masahide Ota, who is now on an official trip to Seoul, local government officials said.

Okinawa sent the rejection in a letter under the name of the vice governor, they said.

Hashimoto had asked Ota to act by Friday [2 August] as proxy of the mayors of nine cities, towns and villages where the 11 facilities are located after the municipal governments refused to put on public display papers required for expropriating land plots totaling 129,000 square meters, which are owned by some 3,000 people.

Upon Okinawa's refusal to comply, Hashimoto is supposed to order Ota to meet his request under the local autonomy law.

If Ota again refuses, as is widely expected, Hashimoto will likely file suit as early as mid-August seeking to force the governor to comply.

The lawsuit will be the third over U.S. military bases in Okinawa. The first concerns a case in which Ota has been ordered by a high court to serve as a proxy to sign forced lease contracts for facilities elsewhere on the island. The proxy case is pending in the supreme court.

Another involves a 236-sq.-meter plot inside the U.S. Navy's Sobe Communications facility, the contract for which expired at the end of March.

The prefectural officials said they rejected Tokyo's request because of the need to take account of the supreme court ruling due out Aug. 28 over the proxy case, focused on the constitutionality of forced leasing of private land for U.S. military facilities in Japan.

Tokyo has yet to present any satisfactory plan to reduce the U.S. military presence in Okinawa, the officials said, noting there is intensifying public opinion against the relocation of a U.S. military heliport from the U.S. Futemna Air Station to anywhere within the prefecture. About 75 percent of all Japanese land for U.S. military use is concentrated in Okinawa, which accounts for only 0.6 percent of Japan's total land area and is located about 1,600 kilometers southwest of Tokyo.

Tokyo Asks for Futenma Merger to KAB Without New Heliport

OW0108091996 Naha RYUKYU SHIMPO in Japanese 1 Aug 96 Morning Edition p 1

[FBIS Translated Text] Tokyo — The Japanese Government is asking the United States to merge functions of Marine Corps Air Station [MCAS] Futenma to Kadena Air Base [KAB] without construction of a new heliport in addition to the two already existing runways, a Defense Agency source said on 31 July. The government views this proposal as the most acceptable plan for the Okinawa Prefectural Government. However, it is still uncertain if the United States agrees with this as U.S. military authorities are taking negative stances toward the Futenma merger to KAB due to difficulties in air traffic control.

The government proposed that the United States should not build the new heliport on KAB because Okinawa is reacting strongly to "construction of new bases" following relocation of Futenma. Also, the Social Democratic Party says "the Okinawa Prefectural Government may accept the Futenma merger to KAB."

Even without construction of the new heliport, the government believes the relocated marine wing will need a new apron, hangars, and service areas in case of an emergency. The most probable location of the new facilities is an open field near Kadena Golf Course located south of the runways.

Regarding the proposal for the Futenma merger to KAB, U.S. Defense Secretary William Perry has recently told Massho Miyazato, chairman of the lower house Special Committee on Okinawa and Northern Territories Issues, that the United States will "consider all possibilities." But he also noted merger of the Futenma functions to KAB is difficult because "air routes of Marine helicopters will overlap with those of civil aircraft."

In addition, the U.S. military authorities are unhappy with the merger between Futenma, the core of frontline forces of the Marine Corps, and KAB, the largest U.S. Air Force base in the Far East. The no-heliport proposal may face further difficulties.

Japan: 'Officials' Say Relocation of U.S. Live-Fire Drills Set

OW0108063996 Tokyo KYODO in English 0630 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Japan and the United States agreed Thursday on relocation of a U.S. military live-firing range in Okinawa prefecture to five sites in other prefectures, government officials said.

The Japan-U.S. Joint Committee reached the agreement at a working-level meeting to use five sites in rotation as replacements of the range in central Okinawa, southwestern Japan, the officials said. Exercises at the Okinawa range involve firing across a public highway.

The five sites are the Yasubetsu range in Hokkaido, the Ojojihara range in Miyagi prefecture, the Kitafuji range in Yamanashi prefecture, the Higashifuji range in Shizuoka prefecture and the Hijudai range in Oita prefecture, all of which are used by Japan's Ground Self-Defense Force (GSDF), they said.

The Defense Facilities Administration Agency has started explaining the accord to the relevant local governments, they said.

But, as the prefectural governments stand against the accord, complaining they were not consulted beforehand on the matter, the agency is expected to face hard going in persuading the prefectures to accept the U.S. firing drills.

According to the agency, each site will be used for a live-ammunition drill for up to 10 days at a time, and about four U.S. military live-firing drills will be conducted among the sites each year.

Other details will be formally decided by the joint committee by mid-August, the officials said.

The government is considering doing soundproofing work around the selected sites in a bid to win the understanding of the relevant prefectural governments, and plans to include outlays for such work in budgetary requests for fiscal 1997 starting next April, they said.

Japan and the U.S. have agreed to transfer the drills to other sites as part of efforts to reduce U.S. bases in Okinawa prefecture.

Meanwhile, the U.S. effectively turned down a proposal to relocate a military heliport from its Futemna Air Station to Kadena Air Base, Liberal Democratic Party (LDP) officials said.

Kurt Campbell, deputy assistant secretary of East Asia and Pacific affairs at the U.S. Defense Department, told LDP Secretary General Koichi Kato at the party headquarters that it would be extremely difficult and dangerous to use the plot in Kadena Air Base for fighters and helicopters together.

Japan and the U.S. have agreed to relocate the heliport within Okinawa prefecture.

Japan initially considered the Kadena ammunition storage area as the possible place for relocating the heliport, but gave up the option because of environmental problems and asked the U.S. side to consider shifting the heliport to Kadena Air Base.

Given strong opposition from local residents, a solution to the choice of a new heliport could be delayed further, putting a damper on the agreed return to Japan of the Futemna Air Station.

Okinawa prefecture, which makes up less than 1 percent of Japan's total land area, is home to about 75 percent of land occupied by U.S. military facilities in Japan and to about half of the U.S. troops stationed in Japan under bilateral security arrangements.

Japan: Hashimoto on Decision To Relocate U.S. Live-Fire Drills

OW0108123696 Tokyo ASAHI SHIMBUN in Japanese 1 Aug 96 Morning Edition p 2

[FBIS Translated Text] On 31 July Prime Minister Ryutaro Hashimoto touched on the announcement of alternative relocation sites for U.S. forces' live-fire drills across the Prefectural Highway 104 on Okinawa. He said: "I have not been informed that they (the relocation sites) were decided. The time is early to even make an informal decision."

Regarding his meeting with Masuo Morodomi, director general of the Defense Facilities Administration Agency, on the same day, the prime minister said: "Although they (the alternative sites) have been narrowed down, each site has problems. I have been informed of what these problems are. I then instructed the director general to report to me one more time after conducting a thorough study on the problems." Hashimoto made these comments when he was answering questions from reporters at his official residence.

Tokyo, Washington Agree To Move Okinawa U.S. Drill Site

OW0108135296 Tokyo KYODO in English 1341 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Japan and the United States agreed Thursday to relocate a U.S. military live-firing range in Okinawa Prefecture to five sites outside the island, government officials said.

The agreement, which came at a working-level meeting of the Japan-U.S. Joint Committee, calls for using the five sites in rotation as replacements for the range at Camp Hansen in central Okinawa, southwestern Japan, the officials said.

The five sites are the Yasubetsu range in Hokkaido, the Ojojihara range in Miyagi Prefecture, the Kitafuji range in Yamanashi Prefecture, the Higashifuji range in Shizuoka Prefecture and the Hijudai range in Oita Prefecture, all of which are used by Japan's Ground Self-Defense Force (GSDF), they said.

The firing range has been long the target of local criticism because firing practices are held over prefectural highway 104, requiring a 3.7-kilometer stretch of the highway to be closed during the drills.

The Defense Facilities Administration Agency began briefing the relevant prefectural governments on the agreement to sell it, but the prefectural government officials and local residents concerned responded with anger.

Oita Gov. Morihiko Hiramatsu reiterated opposition to the selection of the Hijudai range in his prefecture as among five alternative sites to replace the Okinawa range.

"Oita Prefecture has offered sufficient cooperation in national defense through Self-Defense Forces drills and Japan-U.S. joint drills," Hiramatsu told a press conference. "It is difficult for us to bear any further burden."

Hiramatsu accused the Defense Facilities Administration Agency of not informing him of the agreement before it was published in newspapers.

"It is insincere to inform the locals only after it has appeared in newspapers," he said.

Miyagi Gov. Shiro Asano also voiced opposition to the agreement on the transfer of the U.S. drill site and blasted the government for failing to inform his prefecture about the agreement.

"They make light of us," Asano said at a press conference.

Rikizo Sano, chief of the town of Bekkai by the Yasubetsu range, is also against the agreement.

"Our town has persistently opposed hosting a U.S. drill site. There will be no change in our policy," Sano said.

According to the Defense Facilities Administration Agency, each site will be used for a live-ammunition drill for up to 10 days at a time, and about four U.S. military live-firing drills will be conducted among the sites each year.

Other details will be formally decided by the joint committee by mid-August, agency officials said.

The government is considering doing soundproofing work around the sites in a bid to win the understanding of the relevant prefectural governments, and plans to include outlays for such work in budgetary requests for fiscal 1997 starting next April, they said.

Japan and the U.S. have agreed to transfer the drills to other sites as part of efforts to reduce U.S. bases in Okinawa Prefecture.

Meanwhile, the U.S. effectively turned down a proposal to relocate a military heliport from its Futenma Air Station to Kadena Air Base, Liberal Democratic Party (LDP) officials said.

Kurt Campbell, deputy assistant secretary of East Asia and Pacific Affairs at the U.S. Defense Department, told LDP Secretary General Koichi Kato at the party headquarters that it would be extremely difficult and dangerous to use the plot in Kadena Air Base for fighters and helicopters together.

Japan and the U.S. have agreed to relocate the heliport within Okinawa Prefecture.

Japan initially considered the Kadena ammunition storage area as a possible place for relocating the heliport, but gave up the option because of environmental problems and asked the U.S. side to consider shifting the heliport to Kadena Air Base.

Given strong opposition from local residents, a solution to the choice of a new heliport could be delayed further, putting a damper on the agreed return to Japan of the Futenma Air Station.

Okinawa Prefecture, which makes up less than 1 percent of Japan's total land area, is home to about 75 percent of land occupied by U.S. military facilities in Japan and to about half of the U.S. troops stationed in Japan under bilateral security arrangements.

Tokyo Expected To Face 'Tough Sailing' in Heliport Transfer

OW0108130996 Naha RYUKYU SHIMPO in Japanese 28 Jul 96 Morning Edition p 2

[FBIS Translated Text] Tokyo — On 2 August, a working-group of the "Special Action Committee on Okinawa" (SACO) will hold the final meeting in Tokyo to talk about the issue of constructing a heliport as a replacement for Marine Corps Air Station [MCAS] Futenma. Both the Japanese and U.S. Governments are making preparations in a hurry with an aim to be able to reach a practical agreement in September on a construction site of the heliport and other matters without waiting for the SACO's conclusion, which is scheduled to be announced in November. The Japanese Government also wants to start coordination with the Okinawa Prefectural Government soon in an attempt to find a path for solving the issue. Since this issue can be related to other base issues, however, the central government is at a loss as to when it should start the coordination with the prefectural government. The future of the issue is uncertain.

Kadena ammunition storage area, Camp Hansen, Camp Schwab, Kadena Air Base [KAB], and other places have been selected as candidate locations for construction of a new heliport. But both the Japanese and U.S. Governments think that it will be difficult to construct the heliport at the Kadena ammunition storage area because, in addition to opposition from Kadena, many trees have to be cut down.

Local residents who live near the three other locations are also assuming the stand of opposing heliport construction in their district. For base operational and safety reasons, the U.S. military is also showing its disapproval of relocating the MCAS to KAB. Although it is unavoidable that the coordination for either case will face tough sailing, it seems that behind-the-scenes maneuvers between Japan and the United States are progressing considerably.

Some government officials are of the view that "we ought to be getting an agreement with the United States and coordinating with the prefectural side by now because there is not much time left before September," (according to a SACO official). They are expressing a hope to begin coordination with Okinawa by having, among other things, a task force meeting for the return of the MCAS and other bases between the central and prefectural governments in early August.

But the Supreme Court will announce on 28 August a ruling on a proxy signing lawsuit in relation to procedures needed for the forced use of land for U.S. military facilities. On 8 September the Okinawan people will have a national referendum on the reorganization and reduction of U.S. military bases. Because of these timetables, the government thinks that the situation in Okinawa over the base issue may have a negative impact on heliport construction, saying that "the timing of starting coordination with Okinawa is another tough issue," (according to a senior Defense Agency official).

The government maintains the fundamental stand that "return of the base land will not be realized unless the MCAS can be relocated within the prefecture," (said a senior Foreign Ministry official). Since the municipalities, where the candidate locations are located, are expressing their opposition against heliport construction, however, (a senior Defense Agency official) said: "We just cannot say that we would construct the heliport here because the other place is opposing it." While keeping an eye on September, the government is forced to undertake tough negotiations for promoting coordination with Okinawa.

Japan: Foreign Ministry Announces U.S. Bases Panel To Hold Meeting

OW0108045396 Tokyo KYODO in English 0437 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — A special Japan-U.S. panel on U.S. military bases in Okinawa will hold its seventh working-level talks Friday [2 August], aimed at easing the security burden on the island prefecture, the foreign ministry said Thursday.

The meeting will take place at the foreign ministry, bringing together foreign and defense officials from both countries, the ministry said.

Opposition to the heavy U.S. military presence in Okinawa prefecture has intensified since the rape of a local schoolgirl in Okinawa last September, for which three U.S. servicemen are serving jail terms.

Okinawa makes up only 0.6 percent of Japan's total land area but hosts about 75 percent of U.S. military facilities in Japan in terms of land area. Some 30,000 of the 47,000 U.S. troops in Japan are stationed in the southernmost island prefecture.

Also on Friday, Tokyo and Washington will hold a meeting of working-level officials to review bilateral defense cooperation guidelines, the ministry said.

The two countries agreed in a joint security declaration released in April to review the current guidelines, established in 1978, which lay down rules for a joint response to any direct invasion of Japan.

Japan: Joint Military Drills With U.S. Slated for 4-17 Nov

OW0108143896 Tokyo KYODO in English 1038 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Japan and the United States will conduct joint military drills in Japan from Nov. 4 to 17, the Defense Agency's Joint Staff Council said Thursday.

The exercise will be the fourth of its kind involving Japan's Self-Defense Forces and U.S. military stationed in Japan as well as U.S. forces from home, it said.

The joint drills are designed to beef up defense cooperation between the two countries and improve joint defense operations, it said.

The drills will be conducted on the northernmost main island of Hokkaido and the southernmost main island of Kyushu as well as sea areas and air space around the main island of Honshu, it said.

The exercise will be the first of its kind under a bilateral agreement signed last April allowing Japan to provide transportation and other logistical support for U.S. forces in Japan in peacekeeping and training operations.

The acquisition and cross-servicing agreement will take effect in October.

Japan: Mongolian President Interviewed on Bilateral U.S. Ties

OW0108004196 Tokyo KYODO in English 0031 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Mongolian president Punsalmaagiyn Ochirbat said in a newspaper interview published Thursday that Mongolia and the United States signed a bilateral security agreement in June.

The NIHON KEIZAI SHIMBUN said Ochirbat made the remark in an interview with the Business Daily conducted Wednesday [31 July] in Ulaanbaator.

Ochirbat was quoted as saying Mongolia has not changed its foreign policy of placing priority on friendly relationships with neighboring China and Russia.

But Mongolia signed a security cooperation agreement with the U.S. as part of efforts toward closer relationship between Ulaanbaator and Washington, the president told the paper.

Under the agreement, Mongolian military personnel will be trained in the U.S. while the U.S. will provide computer equipment for Mongolian defense schools and will help the country in the event of natural disaster.

As for relations with Japan, Ochirbat said he is satisfied with Japan's past economic assistance for Mongolia, but that the bilateral relationship should shift to a mutually beneficial relationship rather than one in which Japan provides unilateral assistance.

He expressed hope that Japan will increase its investment in industries to utilize Mongolia's cheaper labor and rich natural resources so that both countries can profit, the daily said.

Japan: Reasons for U.S. Forces in Japan Questioned

962B0121A Tokyo SEKAI in Japanese 1 Jul 96 pp 61-69

[Article by Shunji Taoka, editor and staff writer, AERA: "Questioning the Reasons for the Existence of U.S. Forces in Japan; Are They Units To Protect Japan?; With Their Reduction Is It Necessary To Strengthen the Self-Defense Forces?"]

[FBIS Translated Text]

According to Asahi Shimbun's opinion poll reported on 15 May, 70 percent of the respondents said, "Yes," to the question, "Are you in favor of maintaining the Japan-U.S. security treaty?" At the same time, 67 percent of the respondents answered in favor of "a reduction," to the question, "Should the U.S. bases in Japan be maintained at the same level, or be reduced?" While in favor of maintaining the Japanese-U.S. alliance even after the end of the Cold War, the majority of the Japanese people want to see a reduction of the U.S. bases. Their judgment seems reasonable.

The question asks whether the "bases" should be reduced or not; it does not ask whether the "military strength" of U.S. forces in Japan (about 45,200 men as of December 1994) should be reduced. However, there is a limit to a reduction through streamlining and integrating the bases while keeping the military strength intact. And, even if a small amount of "land" that becomes available through such integration can be reverted, the dangers of crimes and accidents — what the people living nearby are most concerned about — will not diminish. Considering that about 10 cases of heinous crimes (burglary, murder, and rape) have been committed each year nationwide by U.S. soldiers and paramilitary personnel, it will be no surprise if another serious incident occurs at any time. Also, as evident from the case of reversion of the Futenma Air Station, there is a possibility that a base can become a permanent one because of construction of a facility in conjunction with transfer of one base to another.

At the same time, some people fear that "if we ask for a reduction of U.S. forces in Japan, the capability of defending Japan will become deficient, and it will be necessary to strengthen the Self-Defense Forces." Also, some others say, "Consequently, the alliance between Japan and the United States will collapse, worsening Japanese-U.S. relations. Becoming isolated, Japan will attempt to make military preparations on its own, and an expansion of armaments will become inevitable." I would like to examine if these predictions are realistic.

An Intelligence Unit With 3,500 People

During his speech on 6 September 1991 at the Japan Press Club in Tokyo, Mr. Steven Solarz, the then chairman of the Subcommittee on Asia-Pacific Affairs of the U.S. House Foreign Relations Committee, said, "Many Americans think that the U.S. forces in Japan are to protect Japan, and that by simply threatening to withdraw these forces, the Japanese government will increase its budget sharply to cover expenses incurred by the U.S. forces in Japan. In reality, however, the majority of the U.S. forces in Japan have regional responsibilities. They are staving off aggressions in the areas outside Japan, and Japan allows them to station on its territory, and pays a large amount of expenses incurred for such stationing. The United States should thank Japan for this."

Saying that "the U.S. forces are staving off aggressions in the areas outside Japan" is the same as saying that these U.S. forces are not protecting Japan. Observing from Washington, Congressman Solarz must know quite well of this situation, because he is very knowledgeable of U.S. foreign and security policies toward Asia. The correctness of his statement can be verified by looking closely at each unit of the U.S. forces in Japan.

First, the U.S. Army's strength in terms of personnel is only 1,951 men as of the end of December 1994 (as reported in May 1995). Its combat troops are stationed only in the Torii communications facility in Okinawa as the first battalion of the first special forces (about 400 men). The special troops that are known as "Green Berets" infiltrate into the back of an enemy's front line by using parachutes and so on and gather information and destroy the enemy's communications and traffic networks. Of course, they are not stationed to protect Okinawa. They seem to be standing by in Okinawa to be dispatched mainly to the Korean Peninsula, and to the Middle East and Southeast Asia. In the past, the U.S. Army had the 9th Army Corps Headquarters without mobilization troops in Camp Zama (Kanagawa) to issue directives to support troops from Hawaii and the U.S. West Coast in case of emergency in Japan. But, the headquarters was eliminated also in September last year. Even during the Cold-War period, when the Soviet Union's transport capability to invade Japan was estimated to be 4,000 to 5,000 men, the U.S. Army did not have its combat troops in Japan; instead, the Ground Self-Defense Force (150,000 men and 1,100 tanks) protected Japan. However, because of the hollowing of Russian troops in the Far East, a possibility of such an invasion does not exist any longer.

Most of the U.S. Army's soldiers in Japan are intelligence and supply personnel. The supply personnel is in charge of procurement of materials for the U.S. Army stationed in South Korea and management of supply arsenals. An issue here is intelligence personnel. The 500th Military Intelligence Group is stationed in Camp Zama, and below that are the 750th Military Intelligence Battalion and the 181st Military Intelligence Detachment Group in Misawa (Aomori). Misawa is an important base for interception of radio waves for the United States, and there are a huge cylindrical antenna called the "Elephant Cage," which is about 300 meter in diameter and about 30 meters tall, and many other parabolic antennas. About 1,650 people in total, mainly of the U.S. Air Force 6920 Electronic Maintenance Group (about 950 people) as well as other intelligence units from the Army, Navy, and Marine Corps are engaged in intercepting and decoding radio waves. There are also radio wave interception units in Okinawa at the Navy Communications Office in Sobe and the Army Communications Office in Torii. With the U.S. forces in Japan as a whole, about 3,500 people are estimated to be intelligence troops.

Radio interception units used to be mainly in charge of receiving and decoding radio waves from the former Soviet Union and China as well as of investigating movements of military troops by analyzing changes in transmission sources and in the quantity of communications. They even listened in to telephone conversations by having submarines install wiretapping devices in ocean cables from the continent to Kamchatka and to Sakhalin. These units belong administratively and organizationally to each military force, but in terms of intelligence activities, they are connected directly to the NSA (National Security Agency) of the national military establishment. "Security" in the NSA's name means "preservation of confidential information," and the agency's official task is to protect communications by creating secret codes and so on. In terms of requesting and transmitting information, NSA is placed under the CIA (Central Intelligence Agency); upon request from the CIA, it collects and reports on information.

Following the end of the Cold War, the CIA has faced a massive reduction of its budget and personnel, and has been trying hard to have its raison d'etre recognized in the area of collecting economic and technological information. During his speech in Boston in April 1990, the then CIA director Webster said, "We have established a planning and coordination bureau, which will deal with intelligence strategies against such economic competitors of the United States as Japan and Europe." In Detroit in April 1992, (the then) CIA director Gates said, "About 40 percent of our tasks will be in the economic area, with allocation of two-thirds of our budget."

As its upper-level organization — the CIA — has changed its mission, the NSA has to respond to information requests accordingly. The New York Times reported that during the automobile talks between Japan and the United States in Geneva in June last year, the CIA's Tokyo Branch Office and the NSA wiretapped the international telephone conversations Minister Ryutaro Hashimoto of the Ministry of International Trade and Industry [MITI] had with Tokyo, and the information was sorted and summarized by an analyst at the CIA, and was reported to U.S. Trade Representative Kantor every morning. It is not clear whether the units under the NSA in Japan were directly involved in the wiretapping. In any event, however, the radio wave interception networks are a global system, and the interception units in Japan are only part of this system. These units are also covered by Japan's "sympathy budget." As the Japanese government provides a subsidy of more than 10 million yen per U.S. soldier, its good-naturedness is way beyond the norm. Also, Mr. Hashimoto, the subject of the wiretapping, became the prime minister, and is now being cornered over the issue of illegal occupation of the land where the Sobe communications office is located as an interception base. This is an extreme case of irony, joke, and sorrow.

Questionable Existence of the Marine Corps

The Marine Corps has the largest military troops in Japan. With 21,280 people, it accounts for 47 percent of the U.S. forces in Japan. Of this total, a little over 18,000 people are stationed in Okinawa, accounting for 63 percent of 28,600 U.S. soldiers in Okinawa. They get on board landing ships with a mission to execute landing tactics anywhere within the entire area covered by the U.S. 7th Fleet, from the Western Pacific Ocean (west of the 160th degree of east longitude) to the Indian Ocean (east of the 17th degree of east longitude). Of course, they are not troops to protect Okinawa.

The U.S. Marine Corps consists mainly of three divisions. The 1st Division is in Camp Pendleton near San Diego, California. The 2d Division is in Camp Le June, North Carolina. The 3d Division in Okinawa is the only Marine Corps division permanently stationed overseas. Combined mainly of this 3d Division and the 1st Marine Corps Air Division is the 3d Marine Corps Expeditionary Force. The 1st Marine Corps Air Division has its troops at the Futenma Air Station and the Iwakuni Air Base (in Yamaguchi). In Futenma, there are 21 CH53E large helicopters; 12 CH46E mid-sized helicopters; 16 AH1W attack helicopters; 14 CH1N light-transport helicopters; and 6 KC130 tanker planes. Iwakuni receive alternate allocations of 36 F/A18 fighter/attack planes, 6 AV8B vertical take-off and landing attack planes, and so on.

However, the raison d'etre of the 3d Marine Corps Division has been questioned in recent years by some authorities at the U.S. Defense Department, particularly by people within the Marine Corps. The reasons are as follows: 1) As the U.S. Navy has been reducing the number of its ships from about 600 to 340, and the number of landing ships for transporting the Marine Corps is 39, there are not enough ships to transport even one division. This level will be maintained in the future, as well. Therefore, there is no need to maintain three divisions. 2) Most of the landing ships for the Pacific Fleet (about 25 ships) are in San Diego. When they are mobilized, they will sail out with the 1st Division on board, the most elite corps stationed nearby. It has never been considered to leave the 1st Division behind so as to route empty ships to Okinawa to get the 3d Division on board. 3) Most of the troops in Okinawa are dispatched in battalion units from the 1st and 2d Divisions every six months. As this requires time for packing, transfer, and unpacking, it creates difficulties in terms of training. 4) The training ground in Okinawa is small compared to that in the United States, and for safety reasons, helicopters are prohibited from flying with things hanging from them over urban districts and roads. The artillery range is also narrow, and if you are not careful, you may risk having your shots going out of the range. Therefore, you can shoot only from a fixed position. This is a great impediment to training. Some officers from the 3d Marine Corps Division have published articles one after another in a Marine Corps bulletin called "Marine Corps Gazette" and a quasi-bulletin of the Navy called "Naval Institute Proceedings," calling for withdrawal of their troops from Okinawa. The level of freedom of speech is astonishingly high. One Marine Corps officer wrote: "As a reason for being in Okinawa, I cannot think of anything else but a nostalgic sentiment that we do not want to give up the place because we took it over after fighting a fierce battle during World War II."

As a result, the 3d Marine Corps Division has already become subject to a reduction. Normally, the division has three infantry regiments as its main force, but the 9th Regiment was dissolved in April 1994, leaving only the 4th Regiment in Okinawa. Three battalions that this regiment belongs to are all dispatched alternately every six months from the United States. Also, the 12th Regiment (an artillery unit) has in fact only one battalion (with 18 cannons), and two of the three batteries are dispatched from the United States. There have been no tanks in Okinawa since 1990; only a small number of amphibious armored vehicles exist there now.

As its members are dispatched alternately from the United States, the 3d Marine Corps Division exists in name only; it is nothing but having its official position as a "three-part Marine Corps Division" by maintaining those posts ranging from division commanders to headquarters staff as well as their vested interests in Okinawa. If these troops were to be mobilized in front lines, such as those in the Persian Gulf area, it would be meaningful to dispatch them alternately every six months. But, there are no front lines in Okinawa, and because there are no ships, these troops cannot be mobilized quickly. They are just like the lions within a moat at Tama Zoological Gardens. Some people say, "Even without ships, transport planes can send these troops to the Korean Peninsula in case of emergency." But most of such airplanes have to be sent in from the United States. Therefore, mobilization would be much quicker if the troops were stationed in the U.S. mainland or Hawaii.

In Sasebo (in Nagasaki), there are four landing ships, including an assault landing ship Belleau Wood (about 40,000 tons), making it possible to transport about 2,000 soldiers of the Marine Corps Expeditionary Force, including a Marine Corps battalion (about 800 people) and its 26 helicopters as well as about six vertical takeoff and landing attack planes called "Harriers." This 31st Marine Corps Expeditionary Force to be on board is separate from the 3d Marine Corps Division; it is standing by in Okinawa to be mobilized in the region where the U.S. Central Military Force is in charge (i.e., Southwest Asia and the Persian Gulf). All this considered, it seems like a simple matter to withdraw the 3d Marine Corps Division to the U.S. mainland or Hawaii, because only its headquarters needs to be relocated, and the complaint-ridden, alternate rotation every six months will have to be terminated for most of its troops.

The U.S. defense authorities have also considered eliminating the 3d Marine Corps Division in the late 1980's to the early 1990's. In late 1989, Mr. Carlucci, who resigned earlier from his post as Defense Secretary, told this author: "It is impossible to maintain the 3d Marine Corps Division. The division will probably be dissolved." Also, Senator Aspin, who later became Defense Secretary, proposed "a Marine Corps two-piece division" in a draft plan. The Bush Administration's arms reduction proposal originally had a plan to reduce the number of the Marine Corps personnel to 159,000 men. However, due to heated opposition from the Marine Corps, its supporters, and some members of Congress, the number was maintained at 174,000 men. The difference in the numbers, 15,000 men, is attributable to the 3d Marine Corps Division and its support units.

The reason why the Marine Corps was able to avoid a major reduction while the U.S. ground, naval, and air forces were subjected to 30 percent reductions was that the following arguments were accepted: 1) Although the possibility of a large-scale conflict was reduced, that of small-scale regional conflicts has increased. Because of its high mobility, the Marine Corps is suitable in dealing with these conflicts. 2) A suspicion was raised concerning nuclear development in the Democratic People's Republic of Korea (North Korea) in the early 1990's. At the time of applying pressure on North Korea, reducing the strength of the Marine Corps in Okinawa would send a "wrong signal." 3) Japan is paying about 70 percent of the [Marine Corps'] expenses of stationing there, and thus it is much cheaper [to have the Marine Corps there] than at home.

North Korea is suffering from acute economic distress and food shortage, and the scenario of its "final attack" seems out of date. Aircraft of the North Korean Air Force cannot even fly due to shortages of fuel and parts. Former U.S. Defense Assistant Undersecretary Nye says, "(If North Korea attacks,) the joint U.S.-South Korean forces will annihilate North Korean forces quickly and completely." The will of the United States to protect South Korea is thoroughly evidenced by 36,000 troops stationed in South Korea and deployment of the Army's 2d Division in the most important front north of Seoul. If the Marine Corps is to provide deterrence by showing landing tactics, the 1st Marine Corps Division will sail out on board landing ships from San Diego. The 3d Marine Corps Division that has no means of mobilization cannot even become a "symbol of that will." At the time of the Gulf war in 1991, it was not mobilized, but was used as a "reservoir" for the 1st and 2d Marine Corps Divisions to extract some support troops. Then, it would be much more reasonable to maintain such reserve troops in Camp Pendleton, or some other place, with a training ground much larger than that in Okinawa.

The U.S. Forces for Defending South Korea

The U.S. Air Force in Japan is not for protecting Japan, either. Regarding air defense, the control over radar sites and air defense command stations was transferred to the Air Self-Defense Force from the U.S. Air Force. And, according to the "Matsumae-Burns Agreement," the U.S. Air Force and the Air Self-Defense Force were supposed to have separate lines of command. Aircraft of the U.S. Air Force does not receive a command from Japan's air defense command stations, and therefore has no responsibility over air defense. It is not equipped with a receivers for Japan's computerized air defense command system, the so-called "BADGE

System." Japan's air defense is assumed by about 370 combat aircraft of the Air Self-Defense Force and by 104 "Patriot" antiaircraft missiles (in four launch units with 520 missile plus some spares).

Military strength of the U.S. Air Force in Japan consists of the 18th Air Division, which maintains 54 F15C/D combat aircraft, 2 E3 airborne warning and control system (AWACS) aircraft, and 13 KC135 tanker planes at the Kadena base, as well as the 35th Combat Air Division, which maintains 48 F16C/D combat aircraft at the Misawa base (Aomori). The Yokota base has command divisions of the U.S. Army in Japan and the 5th Air Force. But, it has no combat troops, and therefore, this is a base for transport planes. Some of the F15's in Kadena are dispatched alternately to the Osan base in South Korea for air defense purposes there. The F16's in Misawa were deployed in 1985 to attack the then Soviet Union's air bases in Etrov and Sakhalin. At that time, the United States was considering a strategy in case of war against the Soviet Union to launch a first nuclear attack to destroy the Soviet Union's ground ICBM's, and at the same time to prevent nuclear attacks on its mainland by dealing with the Soviet Union's combat nuclear missile nuclear submarines lurking in the Sea of Okhotsk. For its sub-spotting planes and surface ships to enter the Sea of Okhotsk, the Soviet Union's combat aircraft in Etrov and Sakhalin were obstacles. So, the F16's were deployed in Misawa. Also, in European fronts, as the Warsaw-Pact forces had relative superiority in number to the NATO forces, an "idea of the second front" — the U.S. forces to take the offensive in the Far East — was also propounded so as to pull part of the Soviet Union's fighting power to the Pacific Ocean. That would be unbearable for Japan, which was charged with the role to absorb the Soviet Union's fighting power. F16's in Misawa were a symbol of this "second front." Fortunately, the Soviet Union collapsed, and the risk disappeared. At present, the F16 units in Misawa are shifting their focus to North Korea. F16's are used for flight training at an extremely low altitude in various parts of Japan, raising complaints from residents. This training seems to be intended for an attack on nuclear facilities located in valleys in North Korea. F/A18's of the Marine Corps' 12th Air Division in Iwakuni that were mentioned earlier are also intended for military operations in the Korean peninsula. Therefore, the U.S. air capabilities in Japan are to protect South Korea, not Japan.

However, it seems to be a fact that the U.S. Navy indirectly contributed to defense of Japan during the Cold War period. The fact that the U.S. Navy gained naval supremacy worldwide made it almost impossible for the Soviet Union to engage in transoceanic attacks. In the Pacific fronts, as four to five aircraft carriers and 300 to 400 carrier-borne aircraft were also readied to be dispatched anywhere, even if the Soviet forces seized a temporary opportunity to engage in transoceanic attacks, the U.S. carrier striking force would rush to the region to gain air supremacy. Therefore, there was a strong probability that being cut off from their supply and reinforcement lines, the Soviet forces would have to surrender. At present, Yokosuka is a home port for the 7th Fleet's flagship, Blue Ridge (about 18,300 tons), which is a landing battle command ship, and Independence (about 80,600 tons with 84 aircraft), which is an aircraft carrier. They are not only for protecting Japan, but also fir mobilization in the entire area of the west Pacific Ocean and the Indian Ocean.

Is It Necessary To Strengthen the Self-Defense Forces?

The U.S. Navy's escort ships (cruiser, destroyer, and frigate) numbered about 100, including outdated ones, in the Pacific Ocean during the Cold War period, and are now about 60, always just enough to escort aircraft carriers and landing ships. They have never had extra capabilities to directly protect Japan's commercial ships. However, it seems certain that "Pax Americana" (peace by the United States) brought about by the U.S. Navy's global naval supremacy has contributed to Japan's safety and prosperity. But Japan was not the only country that benefited from the safety of maritime traffic; most other countries in the world, including nonallied nations as well as some socialist countries, also benefited from it.

Also, the Maritime Self-Defense Force is neither small nor weak. Having 59 naval escorts (plus four other escorts for training purposes) and 16 submarines as its main power, it surpasses France (42 ships), England (38 ships), Italy (32 ships), and Germany (13 ships) in terms of the number of surface ships. In terms of the number of escort ships, it equals the U.S. Pacific Fleet. In terms of the number of submarines, it is about equal to Germany (20), France (18), and England (16). Its strength of 100 P3C sub-spotting planes surpasses the combined total of about 90 planes owned by England, Germany, France, and Italy. As the U.S. Navy has about 250 P3C sub-spotting planes deployed throughout the world, the sub-spotting capabilities of the Maritime Self-Defense Force around Japan are extremely strong. Of course, As Japan does not have aircraft carriers or nuclear submarines, both of which are like castles and bishops in a chess game, its Maritime Self-Defense Force is a defensive one, focusing mainly on battles against submarines and mines. However, it is possible to call it the second largest navy in the world, now that the Russian naval force, particularly its Pacific fleet, is rusting away in ports due to fuel shortage and ill repair.

Based on the above detailed examination of the U.S. military troops in Japan and their roles, even if the U.S. forces are cut back, it does not seem conceivable to expect a big gap in Japan's defense, or that the strengthening of the Self-Defense Forces will become necessary. Not only the U.S. Army, which does not maintain combat troops in Japan, but also the Marine Corps and the Air Force are stationed in Japan not for the purpose of protecting Japan. Also, there is no doubt that the U.S. Navy will continue to maintain its naval supremacy in the world. As long as Japan, which imports more than 700 million tons of goods and materials each year, is dependent on maritime traffic for its existence and prosperity, its friendly relationship with the United States is important. Also, as it is inconceivable for Japan to arm itself with nuclear weapons, Japan's alliance with the United States has an effect of deterrence against nuclear threats from other countries. On the other hand, as a naval super power, the U.S. side also needs ports in order to maintain its naval supremacy in the western Pacific Ocean. Therefore, it probably wants to use Yokosuka and Sasebo for a long time into the future.

Quite a large number of people in Japan worry that if Japan grudges over the sympathy budget, or requests a reduction of forces and bases, the United States may decide to withdraw all of its forces. For the Navy, however, naval bases are extremely important. England stays on in Gibraltar after having a series of disputes with Spain, and the United States is still holding on to its port in the Guantanamo Bay in Cuba ever since the Spanish-American War. The United States used to pay $480 million in aid to the Philippines to maintain its Subic Bay naval base and Clark Air Force Base. However, the Philippines requested an increase in aid, but the United States asked for a decrease due to its budget crisis. In 1991, the base agreement expired, and the U.S. forces withdrew from the Philippines. But, the alliance has been maintained, and a U.S.-Philippine joint exercise was conducted in late April. Japan lets the U.S. forces use the bases at no cost, and pays them a subsidy in the amount of 486 billion yen, which is about 100 times more than England pays, and about 20 times more than Germany pays. It is something to be thanked for, and the U.S. forces, especially the U.S. Navy, probably want to be allowed to remain in Japan. Even if the Korean Peninsula is unified in the future, leading to a massive reduction of the U.S. forces in the Far East, or if a tendency toward isolationism in the United States strengthens, leading to withdrawal of troops from Europe and Asia, the United States will still remain as a naval super power. It will simply return to its former self prior to World War II when it maintained a small-scale army and the world largest navy. Even at that time, the United States tried to wield its power over the Pacific Ocean by maintaining naval bases in Hawaii and the Philippines, which were its territorial possessions.

Alliances do not necessarily accompany the need for stationing. The United States is allied with about 50 nations, but the stationing of more than 10,000 troops is limited to five countries — Germany, Japan, South Korea, Italy, and England. This is a continuation of a fait accompli of occupation and assistance following World War II. There are more allies with no U.S. military troops. For Japan to maintain its alliance with the United States, however, it is a realistic compromise to permit free use of Yokosuka and Sasebo. It is also possible to permit the use of Japan's own maritime bases, as England and Italy do. Only three foreign naval bases are monopolized by the U.S. Navy: Yokosuka, Sasebo, and Cuba's Guantanamo. Closing of the Guantanamo base is being considered. In Europe, the U.S. Navy uses as its ports of calls the British Navy's port in Portsmouth and the Italian Navy's base in the Gulf of Gaeta. In consideration of the local sentiment in the Philippines, the Philippine Navy's admiral was in charge of issuing directives in the Subic Bay, and a U.S. naval officer was assigned as a vice admiral. While having almost the same number of escort ships as the U.S. Pacific Fleet, and paying the entire cost of maintaining bases, Japan seems too modest in turning over the management right to the bases to the U.S. Navy, and in having its own ships docked in the far corner of each harbor. It is not unreasonable to request a treatment equal to that in Europe.

Is the "One-Sidedness" True?

Quite a few people stress the "one-sidedness" by saying, "If Japan becomes a subject of an armed attack, the United States will come to Japan's defense. But if the United States is attacked, Japan is not required to it. As long as this one-sidedness exists, it can't be helped but to treat Japan differently from Europe." Realistically speaking, however, even during the era of conflict between the United States and the Soviet Union, if the Soviet Union attacked the U.S. mainland, Hawaii, or Guam, the U.S. forces in Japan would immediately enter into a state of war against the Soviet Union, and the Air Self-Defense Force would fight against the Soviet aircraft attacking the U.S. military bases in Japan. Therefore, if a "territory under the admihistrative authority" of the United States were attacked, it would have been difficult for Japan to stand aloof and ignore it. To be sure, Japan did not have the capability to help defend the U.S. mainland, and so did not European nations, South Korea, or the Philippines. Japan in particular tends to be blamed, and the Japanese people must talk back to defend their position.

At present, some people are saying that this "one-sidedness" should be eliminated now, and that the right to collective defense should be made possible. But the collective defense among the NATO members is mutual defense among the allies, and this is different from the one that is being talked about in Japan, which is to use the right of collective defense to rescue South Korea or Taiwan. South Korea is not Japan's ally. And, that Taiwan is part of China is acknowledged by Japan, the United States, China, and Taiwan. If Japan is always responsible to give support whenever the United States rescues its own ally, or gets involved in some civil war, it will be like handing over a stack of blank checks.

It is now highly unlikely for North Korea to attempt a "final attack." But, if that happens, I believe that a better policy for Japan will be to support as much as possible in providing information and goods within the boundary of not directly participating in the battle. The reasons are as follows: 1) The United States and South Korea will definitely win. 2) It is humane to prevent unnecessary bloodshed on both sides by ending the fight as quickly as possible. And, 3) if the fighting prolongs, U.S. forces will arrive in a large number, and Japan will have to receive them, leading to confusion at airports and harbors. In any event, a response to such an event should be made according to the nature of each circumstance based on a level-headed consideration of national interest, not on the idea of "eliminating the one-sidedness." It seems wise to avoid generalization of the need for assuming obligations.

This kind of argument for cooperating with the United States exists in Japan. On the other hand, there still exists a "cork-in-the-bottle theory" in the United States, which states that if the U.S. forces in Japan are reduced, Japan will increase armaments. Some people in Japan also subscribe to a similar argument. However, it is quite unlikely for Japan to increase armaments beyond the need for self-defense to resort to an act of aggression. As Japan is profiting most in today's international condition, and is the largest creditor, it is probably the only country that wants to maintain the status quo — it has no need to change the current condition by military force. Japan and the nations in Asia are truly in a state of "mutual prosperity," unlike the time before World War II when Southeast Asia was mostly colonized by England, France, the Netherlands, and the United States, preventing free trade. Japan's Diet members and self-defense officials, however hawkish they may be, never even dream of resorting to an act of aggression.

Fearing that Japan might resort to an act of aggression because it did so in a situation that was totally different from today's is as dubious as saying, "Will the United States go back to slavery?" or "Will it invade Mexico again?" The Japanese people should not fall into line with this kind of a prejudice but argue strongly against it.

The protracted Cold War ended, and the "tensions" in the Korean peninsula and the Taiwan Strait that are currently being talked about in Japan are not true crises. They should be viewed as North Korea's stage play in Panmunjom in front of tourists and TV cameras to seek a peace agreement with the United States, and as a virtual crisis where China, which has a weak capability for a transoceanic attack, tried hard to look strong and failed in its attempt to intimidate Taiwan. A research project on emergency situations in the Far East, which was supposed to begin in 1982 under the competent authorities of the Foreign Ministry, has been postponed for a long time. As a reason to call for a study of emergency situations in the Far East and strengthening the cooperative tie with the U.S. forces now when North Korea is isolated and extremely weak, an official in charge at the Foreign Ministry says: "We should have done this before, but we couldn't, because the objection from the Social Democratic Party discouraged other ministries and agencies to do so, as well. Finally, we can talk about this project." This is like buying a long-wanted winter coat finally in a bargain sale now that spring has come. But, when you try to wear it in the next winter, you may find that the coat is out of fashion.

Instead, now that a military threat on Japan has radically reduced owing to the end of the Cold War, it seems rational and forward looking to maintain the alliance between Japan and the United States — which is becoming more like a political alliance rather than a military alliance against the Soviet Union — in a tapered fashion and for a long time by responding to the wish of the citizens to reduce the U.S. forces and bases in Japan as much as possible.

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Japan: Political Party Positions on Defense, Security

962B0118A Tokyo BOEI HANDOBUKKU in Japanese 30 Mar 96 pp 575-587

[Table "Security and Defense Policies of Various Political Parties": from the *Defense Handbook*; published 30 Mar 96 by Asagumo Shimbunsha]

[FBIS Translated Text]

I. The Liberal Democratic Party

5 March 1995 (The 59th Party Convention) "Party Campaign Platform for 1995"

International Military Situation

—The international community continues to be in flux in this post-Cold War period.

—Owing to realization of peace in the Middle East, a future for the Indo-China peninsula seems to be brightening up. However, ethnic conflicts with accompanying bloodshed still continue in former Yugoslavia, the regions of the former Soviet Union, and the African continent.

—Cooperative actions among the advanced countries have been progressing, but, reflecting their various domestic situations, conflict of interests among these countries has also deepened.

—For Japan, suspicion over North Korea's nuclear status is a direct factor for instability.

Japan-U.S. Security System

—Even after the end of the Cold War, Japanese-U.S. relations are the most important bilateral relationship in creating peace and prosperity in the world, especially in the Asia-Pacific region. Therefore, we will continue to firmly maintain the Japan-U.S. security system.

Relationship with the Asia-Pacific Region

—As a member of the Asian community, Japan should play an important role in determining regional directions for the Asia-Pacific region.

—Through the Asia-Pacific Economic Cooperation Conference [APEC] and the ASEAN Regional Forum [ARF], we must actively contribute to regional stability and prosperity.

—In cooperation with the United States, China, and South Korea, we must eradicate nuclear threats from North Korea.

International Contribution

—Commensurate to our national strength, we must actively contribute to the international community. In particular, we must attach importance to our role in the United Nations.

—By actively participating in reform of the United Nations and in the strengthening of its functions, and thereby gaining further understanding from many nations and their citizens, we must become a permanent member of the UN Security Council to satisfy our international responsibility.

PKO Activities

—We must bolster our contribution of human resources to UN peacekeeping operations [PKO] and humanistic international assistance programs. In light of this viewpoint, it is necessary to reexamine our International Peace Cooperation Law.

Basic Defense Policy

—By firmly maintaining the Japan-U.S. security system, and endeavoring to maintain a moderate level of defense capacity, we will contribute to peace and stability of the international community.

Maintenance of Defense Capacity

—We will endeavor to maintain a moderate level of defense capacity.

Arms Reduction and Management of Armaments

—We must make further efforts to promote reduction and nonproliferation of mass destruction and conventional weapons by making the Nonproliferation of Nuclear Arms Treaty [NPT] permanently in force and by pursuing an early conclusion of negotiations over a treaty for the complete ban of nuclear testing, as well as by expanding the UN arms registration system.

II. The Shinshinto [New Frontier Party]

2 June 1995 (The Party's Permanent Executive Committee) "An Outline of Security Policy"

International Military Situation

—Following the end of the Cold War, the security environment surrounding Japan has changed dramatically. Japan must now deal with various kinds of dangers and risks here and abroad, including instability in the neighboring region, proliferation of weapons, terrorism, a massive number of refugees, and natural calamities.

Japan-U.S. Security System

—We value highly the Japan-U.S. security system not only as an essential element for our nation's defense, but also as a cornerstone for the Japanese-U.S. alliance that contributes greatly to stability in the Asia-Pacific region, and that has global significance in both political and economic arenas.

—We recognize that maintenance of the Japan-U.S. security system is a foundation for Japan's peace and prosperity, and is beneficial to the two countries' national interests. To revitalize this system, we will further support and cooperate with the United States in its various activities to maintain peace and stability in the Asia-Pacific region, including aid to recipient nations.

International Contribution

—By rejecting separatism and one-nation pacifism, we will share the burden and responsibility as a member of the international community.

—As an important member of the United Nations, we will strive to strengthen UN functions, and at the same time will take as much part as possible in UN activities.

PKO Activities

—To actively take part in UN efforts to maintain international peace, we respect the so-called five principle rules for PKO, and will aim at further improvement of Japan's peacekeeping activities, including a review of the freezing of PKF [peacekeeping forces], so as to strengthen civilian control and to perform peacekeeping operations safely and effectively.

Basic Defense Policy

—Pursuant to the Constitution of Japan that is based on the spirit of international cooperation, we will strive to cooperate with peace-loving nations to achieve lasting peace so as to materialize the ideal of promoting freedom and democracy.

—We will consider legislative measures regarding the basic stance for Japan's security.

Defense Capacity

—Pursuant to the Constitution of Japan, we renew our determination not to become a military superpower, and with a continuance of the Japan-U.S. security system, we will maintain an appropriate level of defense capacity with functions and the size necessary for self-defense.

—While pursuing rationalization and efficiency by taking into account the technological advance, we will restructure our defense capacity so that we will be able to respond to various dangers and risks in the post-Cold War era.

—By streamlining the risk management system headed by the prime minister, we will expand and streamline the organic functions of our nation's administrative organs, including data processing functions and the prime minister's office.

Arms Reduction and Management of Armaments

—While reaffirming the three principles of arms export, which are to help avoid fueling of international disputes, we will apply these principles flexibly toward U.S. activities that are to strengthen the Japan-U.S. security system and to maintain and restore peace in the international community.

III. The Social Democratic Party

27 May 1995 (The Party's 62d National Convention) "A Manifesto for the Year 1995"

Japan-U.S. Security System

—While firmly maintaining the Japan-U.S. Security Treaty, we will try to reduce the treaty's military-related aspects and to expand its political and economic aspects so as to create a new type of relationship between Japan and the United States by taking into account the international relations in the post-Cold War era.

Relations with the Asia-Pacific Region

—We will attach importance to our relations with Asian nations.

—While striving to maintain lasting prosperity and stability in cooperation with the people in this region, Japan must share "peace dividends" with them by establishing an Asia-Pacific regional security system.

—In the future, the Japan-U.S. Security Treaty shall be absorbed into the regional security system participated by various countries in Asia.

International Contribution

—We will consider global security in conjunction mainly with the United Nations and other international organizations.

—In both political and financial terms, it is necessary to reform and strengthen the United Nations. Japan, with its Constitution as normative guidelines, will provide its human resources and funds to international organizations so as to maintain global peace and security in cooperation with citizens of various countries.

PKO Activities

—By promoting international cooperation in PKO activities as well as in such areas as human rights and development, environment and economy, and humanity and social development, we will participate in all of the UN peacekeeping activities in pursuant to the International Peace Cooperation Law so long as these activities do not presuppose the use of armed force.

—With regard to PKF, we will respond with our basic policy not to participate in peace-enforcement troops or multinational forces that presuppose the use of armed force.

Basic Defense Policy

—Our basic defense policy is arms reduction.

—We acknowledge the "constitutionality of the Self-Defense Forces."

—We will strive to create a so-called universal security system, where UN member countries join their forces in dealing with global crises so as not to retain or create enemies.

Defense Capacity

—By limiting the use of the right to self-defense to our territorial land, seas, and sky, we will promote systematic reduction and realignment of our Self-Defense Forces.

Arms Reduction and Management of Armaments

—From the perspective of the spaceship Earth, we will tackle arms reduction and the complete eradication of nuclear weapons.

IV. The Japan Communist Party

19 through 23 July 1995 (The 20th Party Convention) "Partial Revision of the Party Platform"

International Military Situation

—Even today, the aggressive nature of imperialism has not changed. Following the collapse of the hegemonical Soviet Union, the imperialistic United States, a sole superpower in the world, continues to maintain massive amount of armaments, including some with nuclear war potential. It is carrying out its hegemonistic strategy of a "world military police" to maintain imperialistic "order" by intervening in disputes in various parts of the world. The U.S. imperialism still remains as a main pillar for aggression and reaction in the world.

—A massive number of nuclear weapons accumulated over 40 years of the arms race still exist today in a scale of tens of thousands, continuing to pose a serious threat to humankind.

—Japan is the most important base in Asia for the policy of aggression and reaction of the imperialistic United States.

Japan-U.S. Security System

—We will fight to scrap the Japan-U.S. Security Treaty and all other treaties and agreements that impair our national sovereignty, and to force complete withdrawal of U.S. troops and eradication of its military bases.

Relations with the Asia-Pacific Region

—The United States attaches importance to the creation of a hegemonistic system in the Asia-Pacific region. The aggressive military alliance between Japan and the United States is not only preventing Japan from pursuing independent and peaceful development, but also threatening peace in Asia as well as in the world.

—If the Japanese people as citizens of the only country that suffered from atomic bombing fight against nuclear weapons and fight for peace as well as for liberation of their country, that will be an important contribution to peace and social progress in Asia and the world.

International Contribution

—By ceasing to be a hotbed for a war of aggression, Japan shall become a strong foundation for peace in Asia and the world.

Basic Defense Policy

—We demand Japan to pursue a policy of peace and neutrality by severing itself from the military alliance with the United States, by not participating in any military alliances, and by forming friendly relations with all nations.

—Standing against revival and strengthening of militarism, including a buildup of the Self-Defense Forces and nuclear armaments as well as a dispatch of troops overseas, we demand the Self-Defense Forces to be dissolved.

—We will fight against revival of Emperor-centered, militaristic ideas.

Arms Reduction and Management of Armaments

—By demanding prevention of nuclear wars and eradication of nuclear weapons, and in cooperation with citizens of various nations, we will achieve an international agreement for a complete ban of nuclear weapons and eradication thereof.

—We will aim at overall arms reduction and dissolution of all military blocs, withdrawal of foreign military bases, establishment of a truly collective security system, and peaceful coexistence of nations with different social systems.

V. The New Party Sakigake

15 March 1995 "The Policy Platform for the Year 1995: Our Plan for Japan's Future Direction"

International Military Situation

—After the Cold War, the international community has not been able to develop a clear vision for new order; it is still in a state of chaos.

—Religious and ethnic disputes, which had been contained over the years by the rigid Cold-War structure, have begun to erupt, and are likely to heighten the disorder and instability in the world.

—In some regions, there is a heightened risk of proliferation of nuclear weapons and an arms race as well as the appearance of new problems that threaten the existence of humankind.

—In the military and security areas as well, arms reduction has not become a strong trend. As seen in the possible nuclear potential in North Korea in particular, there is a heightened risk of proliferation of nuclear weapons. Also, in a sense, arms expansion and export are unchecked.

Japan-U.S. Security System

—The bilateral relationship between Japan and the United States is our most important relationship.

—To promote a friendly and cooperative relationship between Japan and the United States, we reaffirm the importance of the Japan-U.S. Security Treaty in the post-Cold War era, and will continue to firmly maintain the treaty in the future as well.

Relations with the Asia-Pacific Region

—From the standpoint of our being a member of Asia, we will contribute to peace and prosperity in Asia, and strengthen our position that attaches importance to Asia.

—We will aim at strengthening friendly relations with our neighboring countries, particularly with the Korean Peninsula and China. Regarding the Japanese-Russo relations, we will aim at early reversion of our northern territories, and to establish a friendly relationship based on a peace treaty.

International Contribution

—We will accomplish a major reform of the United Nations by the year 2000.

—Japan will fulfill its heavy responsibility on its own initiative at the reformed United Nations.

—The main focus of our international contribution will be "contribution toward coexistence," where we will take the initiative in dealing with global issues that threaten existence and coexistence of humankind.

PKO Activities

—While monitoring the results of strengthened regulations on arms reduction and arms export, and based on the five principles of PKO, Japan will actively cooperate with UN peacekeeping operations.

Basic Defense Policy

—By affirming our strong resolution never to wage a war of aggression, and by not aiming to become a political or military superpower, we will contribute to global peace and prosperity.

—We will continue to subscribe firmly to the three principles of denuclearization and to the three principles of arms export, and based on the Japan-U.S. security system, we will maintain our stance in favor of defense only for self-defense purposes based on a rigid system of civilian control.

Defense Capacity

—We will review the "Outline of Defense Plans" in response to changes in the international situation after the Cold War, and will strive to establish an effective defense capacity.

—To gain security and stability in the region as well as to respond to the international trend toward arms reduction, we will continue to review the scale of Japan's defense capacity.

Arms Reduction and Management of Armaments

—We will continue to subscribe firmly to the three principles of denuclearization and the three principles of arms export.

—We will strive to create a predominant trend in the world for eradication of nuclear weapons, comprehensive reduction of conventional weapons, and strong regulations of arms export by the beginning of the next century.

—We will further strengthen the system to prevent proliferation of nuclear weapons by striving to achieve a treaty for a complete ban of nuclear testing, and by obtaining explicit agreements on the part of those countries with nuclear weapons not to initiate nuclear attacks, or by strengthening the IAEA's [International Atomic Energy Agency] power to inspect those NPT-nonmember countries that are presumed to possess nuclear weapons.

—We support making the NPT permanently in force while respecting an international consensus.

VI. The Komeito

5 December 1994 (The Party's Inaugural Convention) "Main Policies"

International Military Situation

—Under the opaque and fluid conditions of the international situation after the Cold War, the international community continues to search for a way to establish a new international order for peace.

—New sources of concern are developing, such as the occurrence of numerous regional disputes that are rooted in ethnic and religious conflicts, a stalled progress in reduction of nuclear weapons in the United States, Russia, and other countries that possess nuclear weapons, and a fear over proliferation of mass destruction weapons, including nuclear weapons.

Japan-U.S. Security System

—The Japanese-U.S. relations are the most important bilateral relationship, and are important also for peace and prosperity in the entire world, including the Asia-Pacific region.

—We will continue to support the Japan-U.S. Security Treaty.

—We will review the current status of U.S. military bases in Japan with an aim to further streamline and reduce the size so as to develop an effective operational system.

Relations with the Asia-Pacific Region

—Realizing Japan's position and role in the Asia-Pacific region, and fostering mutual trust between nations, we will carry out intensive dialogues and cooperative efforts in both political and economic areas to actively contribute to peace and prosperity in this region.

—Using such frameworks as the ASEAN Regional Forum and APEC, we will discuss a wide variety of security issues in Asia.

International Contribution

—The extent of Japan's participation in PKO is inadequate compared to the world standard. We will have to cooperate more actively in the future.

—Instead of acting after a dispute has occurred, we will strengthen preventive activities.

—By establishing PKO training centers in various regions of the world, and with the participation of many countries, we will streamline a system for rapid and appropriate deployment of troops. Japan's active support is necessary to create a PKO training center in Asia in particular.

PKO Activities

—It is extremely important for Japan to participate in international peace cooperation by making use of the organizational capability and training of the Self-Defense Forces.

—By placing international peace cooperation as one of the major tasks to be stipulated in the Self-Defense Forces Law, we will streamline the day-to-day system of education and training.

—It is necessary to make a comprehensive study of policy on sending troops, including cancellation of the freezing of PKF.

Basic Defense Policy

—It is important to view the defense policy in the post-Cold War era as a form of "dealing with dangers" rather than as that of dealing with threats."

—Based on the new international situation, we will make a comprehensive review of the Self-Defense Forces, including their organization, size of personnel, and equipment.

—From the viewpoint of preventing disputes, we will aim at developing trust between nations by promoting the exchange of troops with our neighboring countries, and improving transparency of military-related conditions in these countries.

—To clarify in the form of law the basic principles of Japan's security policy based on the Constitution, we will call for early legislation of a "basic law on security" (a tentative name).

Defense Capacity

—We will aim for reduction of personnel, primarily in the Ground Self-Defense Force, and to integrate regional ground, maritime, and air troops so as to create an efficient system.

—We will call for a review of equipment, including tanks and P3C.

—We will begin research on such issues as advisability of defending against ballistic missiles.

—We will aim at further improvement of our capabilities for information gathering, responding quickly to emergency situations, and crisis management.

—We will try to curb defense spending while taking into account the international situation.

Arms Reduction and Management of Armaments

—Arms reduction and nonproliferation of nuclear weapons should be further promoted internationally through the UN initiative.

—We will continue to firmly maintain the three principles of denuclearization as our national motto.

—In strict adherence to the three principles to ban arms export, we will not provide foreign economic cooperation that is tied to military activities.

Japan: Expert Comments on Japan's Security Choices

962B0120A Tokyo USHIO in Japanese 1 Jul 96 pp 86-93

[Article by Takashi Inoguchi, senior vice president, United Nations University: "The New Security Treaty and Japan's Choices; What Role Should the Security Treaty Play for Peace and Stability in the Post Cold War Asia-Pacific Region?"]

[FBIS Translated Text]

The Recent "New Japan-U.S. Security Treaty," a Turning Point in Japanese-U.S. Relations

Some people argue whether the joint communique on the Japan-U.S. security treaty is reaffirmation or redefinition. In a sense that the reality has not changed much, it has a strong aspect of reaffirmation. But, from the standpoints of the two governments that want to revitalize Japanese-U.S. relations, it can be a redefinition. I believe both arguments hold true.

In essence, the relationship between Japan and the United States has not changed very much. From the strategic viewpoint, it has remained almost the same since 1952, or the occupation period, though the use of the latter expression may be inappropriate. In any event, the basic tone of the relationship has not changed since then. During that period of time, we have seen such turning points as the security treaty in 1960 and the reversion of Okinawa in 1972. Along with this basic tone, therefore, the recent event in 1996 should be interpreted as another turning point.

In this sense, one aspect of the recent joint communique is that the 1972 reversion of Okinawa has begun to take a concrete form as to its meaning, albeit belated.

From the perspective of the Japan-U.S. security treaty, the reversion of Okinawa was to treat Okinawa as closely as Japan proper. In the past 20 or more years, however, Okinawa has hardly been treated like Japan proper. The new security treaty is, in a way, an attempt to integrate it into Japan proper. In other words, while entertaining a possibility of reducing Okinawa's functions in the Japan-U.S. security treaty, Japan proper is set out to play a similar role as that of Okinawa with reduced functions.

In the background of all this is a most important factor, which is a consensus between the two governments that the Japan-U.S. security treaty now has to play a much larger role in maintaining stability and peace in the post Cold War Asia-Pacific region. To do so, Okinawa alone should not be forced to make sacrifices, but Japan as a whole needs to share the burden and play the same role. That is the most significant meaning of the recent joint communique.

I think the recent joint communique, which promises that the entire Japan will play an appropriate role in maintaining stability in the Asia-Pacific region, is a positive direction overall and is a choice that needs to be valued in a positive manner.

The key point in analyzing the new Japan-U.S. security treaty is the strategic plan of the United States for the future. As long as the United States is a world leader, it cannot completely withdraw from its foreign bases. However, due to financial troubles and opposition from the public, it has become necessary to carry out a worldwide strategy in a manner as slim and effectively as possible. To do so, the Japan-U.S. security treaty must be made into a solid basis for the entire Asia-Pacific region.

Also, the Japanese Government wanted to calm the public opinion that had been enraged first by the scandal involving U.S. soldiers in Okinawa and to make the Japan-U.S. security treaty easy to be accepted by the citizens at large. Because of the meeting of the minds of the two governments, therefore, the recent measures came about—part of the base in Okinawa will be reverted and the [defense] burden will be shared by Japan proper.

Some people argue that, as the Cold War ended, the Japan-U.S. security treaty must have become less important. But, in a short run, say five or 10 years, my view is contrary.

The Asia-Pacific region is a region with the most spectacular economic growth in the world. At the same time, however, it always harbors elements of political instability. Therefore, what is needed is an axis for stable regional order. But, there is no organization like NATO (North Atlantic Treaty Organization) in Europe. If any, the only thing that can cover the entire region is the Japan-U.S. security treaty.

To be sure, there are some ongoing, concurrent efforts to create some kinds of working arrangements. An alliance already exists between the United States and South Korea. Similar arrangements are beginning to be pursued between the United States and China, between the United States and Russia, between Indonesia and Australia, and within ASEAN (Association of Southeast Asian Nations). Furthermore, there is also an attempt to create a larger regional arrangement in the form of the ASEAN Regional Forum. Five or 10 years from now, these various arrangements beside the Japan-U.S. security treaty will have more weight.

Also, with the recent joint communique, the Japan-U.S. security treaty has set a big step forward to contribute to regional stability and peace. Therefore, it is possible to develop into a multilateral arrangement based on the bilateral relationship between Japan and the United States. When its benefits to the entire region are recognized, and when Japan and the United States alone can no longer bear the costs to bring about these benefits, it can be possible, for example, that ASEAN and others join in this arrangement by assuming some of the burden.

However, all these are mere possibilities at present; it is uncertain how they will evolve. Once a stable multilateral system is created in the Asia-Pacific region, the relative weight of the Japan-U.S. security treaty will certainly decrease. At present, however, there is no guaranty that such a system can be created. Even if it is possible, it requires some time.

The Right to Collective Defense

Undoubtedly, therefore, the Japan-U.S. security treaty will be increasingly important, at least for the next five to 10 years, for stability in the Asia-Pacific region. In this sense, I believe the recent choice has a great significance.

One of the arguments that came about in this context is the issue of the "right to collective security." This issue is currently generating boisterous arguments. Despite these outspoken arguments, I believe in essence that, considering the meaning and role of the Japan-U.S. security treaty for the Asia-Pacific region, a consensus on the issue will be self-evident.

Japan's choices are not that many. Roughly, there are only three choices—to proceed within the framework of the Constitution, to revise the Constitution, or to abandon the security treaty itself.

Regarding these choices, only the Japan Communist Party [JCP] rejects the Japan-U.S. security treaty; there is a general consensus on the part of the public that the security treaty is necessary. Also, according to the general trend of the public opinion, it is inconceivable for the time being to revise the Constitution to such an extent to allow heavy armaments and to make collective defense directly possible. Then, in the final analysis, there seems no other choice but to revise existing laws to a certain extent.

The problem here is whether such revision is within or beyond the framework of the Constitution. To put it simply, I think it a psychological problem of the Japanese people, who are still carrying the memories of the past history. In a sense, therefore, I believe time will solve this problem.

In a sense, this is simply a domestic problem; it does not make much difference, one way or the other, for the international community. The United States takes the position "not to say anything that can be construed as interference with domestic affairs" and, at the same time, is probably hoping that "Japan will not bring up such a troublesome question." China probably wants to say, "Stop having that foolish view of China as a potential enemy." They want to "let Japan do whatever it wants" as long as it will not go beyond these limits.

Therefore, I do not think that the weariness among Asian nations toward the new security treaty is not so intense as some people may believe.

A statement by Foreign Minister [?] indicates that, as long as Japan does not consider China as an enemy and if the U.S. alliance is holding back Japan from acting violently, it will be alright. Also, according to its remarks in the past and because of U.S. troops stationed on its own land, South Korea, which harbors a strong anti-Japanese sentiment and is weary of Japan's becoming a military super power, can tolerate Japan as long as Japan is in a cooperative relationship with the United States. This view—as long as Japan maintains its relationship with the United States and does not make independent actions, it is safe—is shared also by ASEAN member countries.

Another argument relating to the new security treaty is the issue of "emergency in the Far East." One concern is the tension between China and Taiwan. But, what needs to be recognized here in the first place is that the relationship between China and Taiwan is a domestic issue for China. It can be a matter of concern, but it is neither an issue of which side Japan should support nor something that can be influenced by the Japan-U.S. security treaty.

Although bringing up this kind of argument may not be appropriate, Taiwan's military strength is far superior to China's in terms of short-term combat capabilities. The reason why China takes an intimidating action, albeit arguable as to its capability, should be regarded as China's characteristic way to create a situation favorable to itself.

Japan's Position and Response in Case of "Emergency in the Far East"

Another concern is North Korea. If an "emergency situation" means a collapse of its government, the issue is not whether to dispatch troops from the Self-Defense Forces. U.S. troops will likely be mobilized as peacekeeping forces. In that case, a conceivable role for Japan is to provide backup support. If the mobilization of U.S. troops lasts for six months or one year, a scale of such backup support will likely be massive, and that can be quite probable.

However, such a combat situation in the Korean Peninsula seems inconceivable for the next few years. Even if such an unfortunate situation breaks out, the United States will not want the Self-Defense Forces to get involved in the combat, thinking that Japan's Self-Defense Forces cannot do much in a foreign soil and that even defense of Japan itself, although depending on the nature of attack on Japan, cannot be accomplished adequately without U.S. troops. What the United States expects from Japan is not its military power, but the readiness of its infrastructure for backup support, including legal matters.

Some people argue that, in terms of military strength, Japan in fact has already become a super power. But, even though the amount of defense spending in Japan is large compared to other countries, it is not possible to make a simple comparison because of foreign exchange rates and the high income level. Because of its economic strength and technological level, Japan may be capable of building up strong armaments if it wishes. But, the public opinion is completely against such buildup and will not allow such a course of action for the foreseeable future.

Of course, we cannot completely deny a rare possibility that the flames of war abroad may reach Japan. But, looking at the situation objectively, such a possibility seems nil for the next few years. If any, a dispute may disrupt the freedom of navigation in the air and waters, cutting off life lines of Japan's economy. If that happens, Japan will not be able to do anything about it in its own power but to rely on the United States.

Rather, therefore, although the Japan-U.S. security treaty is an issue strictly between Japan and the United States, what is important is to make utmost efforts to maintain peace and stability in the region.

If the government of North Korea collapses, that will create an immeasurable amount of negative effects on the Asia-Pacific region. If South Korea has to absorb North Korea's 20 million people, its economy will suffer a great deal for a long time because of the tremendous gap in income levels. There is also a question of to what extent the people who used to live in a closed society will be able to adjust themselves to the new environment. In a worst case, it may lead the society into a major chaos. Also, it will require large-scale, continuing economic and technical support from Japan and the United states as well as from other neighboring countries. All this is not a situation to be welcomed not only by South Korea but also by Japan and the United States. The U.S.-North Korean agreement in 1994 to provide aid to North Korea came about so as to avoid such a situation. Japan must extend its helping hands as much as possible within the framework of its friendly relations with the United States and South Korea.

Regarding the China-Taiwan issue, the United States has also been trying in its power to resolve the situation without resorting to the use of armed forces. Japan must make patient efforts. In diplomacy, it is quite natural to see things go against one's initial expectations. Still, we must avoid resorting to hasty measures.

The Road to "Peace" and "Stability" in the Asia-Pacific Region

The viewpoint that is decisively important in making judgment as to the security issue today is that Japan and other nations in the Asia-Pacific region depend on free trade for their existence. Therefore, what is important is not to make room for disputes and war to develop in this region; it is to protect the safety of seas and sky.

From this viewpoint, and unless there is any better choice available, we have no choice but to follow the line of the recent joint communique for the time being as long as the cooperation between Japan and the United States can maintain a certain level of stability and order, regardless of likes and dislikes.

Of course, this is not the same as regarding the Japan-U.S. security treaty as a permanent solution. As a possibility, some people entertain the idea of a "Japan-U.S. security treaty without a military base." It seems that the United States believes it possible in the future to defend the region as long as it can maintain its base in Yokosuka. Also, with the progress of the times, the effectiveness of a carrier striking force itself may change.

At any rate, however, a major change is inconceivable for the time being. Also, the United States has the final say in what to do for the future. Japan lost the war, went through the occupation period, decided in its Constitution not to maintain armaments, and concluded the Japan-U.S. security treaty so as to be protected in defense areas by the United States—these are the hard facts. If it wants to go alone without the United States, it will have to change its Constitution. If so, it has to expect to be looked upon harshly by its neighboring countries, including the United States.

In terms of how to deal with the new Japan-U.S. security treaty for now, therefore, I believe that we have no choice but to remain within the framework of our

Constitution, avoiding any major changes. Security is a major issue for a country, and naturally it generate heated discussion.

Then, what I hope for in politicians who are to lead the nation is to present their policies clearly to the public—first, they need to clearly show the advantages and disadvantages as well as the costs and benefits of their policy lines, and then say, "I believe this," or "Our party's policy is such and such." If discussion starts from there, I believe it will find an appropriate conclusion. But, probably because the political parties, except the JCP, have opposing views internally, their policies are frustratingly unclear.

In addition, the issue of security is decidedly a global issue. Japan in particular cannot prosper unless free trade and market access are guaranteed on a worldwide basis. The same is true for the entire Asia-Pacific region. Despite the fact that the alliance between Japan and the United States is that of two super powers, which together account for 40 percent of the size of economies of the entire world, Japan—one party to the alliance—seems out of place in the international community to think only of its own domestic situation in making speech. It is necessary to come up with some kind of a speech pattern that will not give an impression of being too self-centered in the international arena, while taking into account the domestic situation as well.

Needless to say, it is necessary to make an effort to achieve fairness by reducing the burden associated with the Japan-U.S. security treaty on the public as much as possible. Then, if the imbalance is still judged to be lopsided, another system will have to be devised.

In any event, what I can say here is that we have no choice but to involve the United States in considering the security issue today. That is because no other countries but the United States can conceive and have the power to implement a security framework on a global scale.

An example for this is a peacekeeping activity in Africa by the OAU (Organization of African Unity). With a slogan that the stability in Africa should be achieved by the OAU, peacekeeping activities in Liberia and so on were carried out by the OAU. However, these attempts were not completely successful. Part of the reason why U.S. troops were not mobilized is the low priority placed on Africa, but this example shows how ineffective a security arrangement can be without involvement of the United States.

In the final analysis, and looking at the whole aspect, therefore, we cannot think of any other way but to maintain the current Japan-U.S. security treaty as a basis for keeping peace and stability in the Asia-Pacific region. In this sense, I value the new security treaty positively and believe that future problems can be dealt with by having thorough discussion in the future.

Takashi Inogushi (senior vice president for the upper-level division at United Nations University and professor at Tokyo University's Oriental Culture Research Institute): Born in 1944. After graduating from Tokyo University's department of liberal arts, earned a Ph.D. degree in political science from MIT's graduate school. Majored in Japanese politics and international politics. Publications include "The Structure of International Political Economy" (a winner of Suntory's Art and Science Award), "Modern Japanese Diplomacy," and "How To Analyze Changes in the World."

Japan: NEC Rebuts Cray's Dumping Charges, Readies Countersuit

OW0108064396 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Jul 96 Morning Edition p 1

[FBIS Translated Text] The NEC Corporation held a news conference on 30 July to comment on the U.S. Cray Research Inc.'s filing of a lawsuit accusing the former of exporting a supercomputer to the United States at an unfairly low price. NEC flatly denied Cray's dumping charges, saying: "The figures on our income and expenses presented by Cray Research according to its calculations considerably deviate from the actual figures" (as stated by NEC director Masao Toka). NEC maintains that its income will be twice as much as the figure given by Cray Research in regard to the sale of a supercomputer to the U.S. National Science Foundation which is the subject of Cray's lawsuit. NEC also indicated that it is prepared to take necessary legal steps if senior Cray officials and lawyers intend to sign the indictment papers knowing that their figures are inconsistent with the facts.

According to Cray's calculations, NEC would be acquiring approximately 1.5 billion yen in the sale of the supercomputer in question. In response, Toka explained: "Including secondary income, the NEC group will be acquiring twice the amount calculated by Cray Research."

Regarding Cray Research's calculation that NEC spent approximately 5.1 billion yen in research and development costs for the supercomputer in question, Toka explained: "If Cray Research's calculations were accurate, it would mean that we have spent 66 billion yen in our entire supercomputer sales project, including the supercomputer in the current deal." In this way, Toka stressed that Cray Research's figures are considerably larger than what NEC actually spent on research and development costs.

If it becomes clear that senior Cray officials and lawyers have signed the indictment papers knowing that the contents of the papers are inconsistent with the facts, NEC plans to respond with some form of counter lawsuit.

Japan: Latvia Seeks Early Entry Into NATO

OW0108090396 Tokyo KYODO in English
0835 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Latvian Foreign Minister Valdis Birkavs said Thursday his country wishes to join the North Atlantic Treaty Organization (NATO) as a full member at an early date.

"Our wish is to be integrated in NATO, which is stability-oriented, not threat-oriented," he told the Japan National Press Club.

"We are in a hurry to have more stability in the region and stability is needed for economic development," said Birkavs, who arrived in Japan on Monday [31 July] for a six-day official visit.

While admitting Russia is a source of concern for Latvia, Birkavs noted the future of Russia is also vital to the rest of the world.

"To help Russia stay on the right way — democratic reform and economic success — this is the only future for all the world," he said.

Politically, Russia remains an unpredictable country even after the recent presidential election in which Boris Yeltsin won his second five-year term, he said.

Latvia regained independence from the Soviet Union in 1991 along with the two other Baltic states — Estonia and Lithuania.

Birkavs also expressed hope for improved relations with Japan, saying, "we would like to develop a wider scale of cooperation between Latvia and Japan."

He also urged Japanese private enterprises to make more investments in Latvia.

Japan: MITI To Investigate Imports of Cotton Cloth Under WTO Rules

OW0108132496 Tokyo MAINICHI SHIMBUN in Japanese 27 Jul 96 Morning Edition p 9

[FBIS Translated Text] On 26 July, the Ministry of International Trade and Industry [MITI] announced that it will begin a study to determine whether to emplace safeguards (emergency importation restriction measures) against cotton cloth made in the PRC and other countries. The safeguard action would be in compliance with textile safeguards allowed in the World Trade Organization's (WTO) new textile accord. MITI received a complaint from the cotton spinning industry that "Imports from Chinese manufacturers have increased dramatically, placing the domestic industry under severe attack." The target of the MITI investigation will be cotton cloth (poplin/broad cloth) used in such articles as white shirts. Although MITI planned to study the situation for up to a year before reaching a conclusion, since the information has already been gathered, it may make the decision even within 1996.

Minister of International Trade and Industry Shunpei Tsukahara clarified the situation in a regular news conference on the same day. He explained that, in order to protect the domestic industry from receiving a crushing blow from the torrential onslaught of imports, a safeguard is a mechanism used to temporarily restrict the growth of imported goods, during which time industries attempt to regroup. Even though safeguards are recognized under international rules, MITI, which has jurisdiction over such areas as manufactured products, has not even once taken such action. However, both the Finance Ministry and Agriculture, Forestry and Fisheries Ministry enacted safeguards against the importation of pork.

The Japan Spinner's Association and the Japan Cotton and Staple Fiber Wearer's Association made the request for action on 9 July. The investigation is the second since 1995. The previous one was conducted in November 1995 to evaluate the PRC's self-imposed curb, after which a wait and see approach was adopted. However, since that time imports have increased, hence, the industry once again called for action to be taken. One of the bottlenecks in imposing sanctions previously was the problem of Japan's enormous trade surplus, which has since improved. Therefore, industry expectations that action will now be taken have also heightened.

According to the associations, in the year ending 31 May, imports of poplin/broad cloth were up 19 percent over the previous year, with approximately 90 percent of the imported products coming from the PRC. The associations say that with the market share of imports growing from 49 percent to 67 percent, Japanese manufacturers experienced a 36 percent drop in market share and a 34 percent decrease in employment within the domestic industry.

The industry aims to set up an industrial structure to study high-quality manufactured goods during the period the safeguard measures are in effect and, by isolating itself from the imports, to survive.

Japan: Political Parties Protest PRC Nuclear Test

OW0108113896 Tokyo SANKEI SHIMBUN in Japanese 30 Jul 96 Morning Edition p 2

[FBIS Translated Text] In reaction to China's latest nuclear test conducted on 29 July, Japanese political parties announced their views, protesting against China. The New Frontier Party [NFP] stressed a need to review Japan's aid to China.

Koichi Kato, secretary general of the Liberal Democratic Party, stated: "The recent nuclear test, which was conducted just as the full-scale talks on the Comprehensive Test Ban Treaty (CTBT) are about to start, is rubbing public opinion in the international community the wrong way. We protest such futile conduct that lacks good sense, and strongly hope that the recent test will be the last one."

Keiko Chiba, director general of the International Bureau of the Social Democratic Party, commented that "it is extremely regrettable, and we strongly protest against China. China, which performed the nuclear test, is rubbing the Japanese people, who hope to abolish nuclear arms, the wrong way."

President Masayoshi Takemura of the New Party Sakigake also made a statement protesting the test, and said: "I regret that China performed the nuclear test. I would like to watch closely, hoping that the plan to abolish nuclear arms from the earth will be promoted."

Kansei Nakano, foreign policy minister of the NFP "shadow cabinet," criticized China in his statement, saying: "The test was conducted because of the ego of a nuclear power nation, ignoring public opinion in the international community. Such conduct should not be allowed." Moreover, he called on the government to review Official Development Assistance (ODA) for China in protest against the test.

The Japan Communist Party sent a letter to Chinese authorities protesting the test under the name of its Central Committee, stating that "we strongly demand that China listen seriously to the world's public opinion opposing nuclear tests and call for abolishing the nuclear arms."

Japan: Government To Try To Improve Relations With PRC

OW0108132196 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Jul 96 Morning Edition p 3

[FBIS Translated Text] The Japanese Government described China's latest nuclear testing as "quite deplorable," (as stated by Chief Cabinet Secretary Seiroku Kajiyama). However, now that China has declared a moratorium on nuclear testing, the government has concluded that "it is also a fact that the dark clouds hanging over Sino-Japanese relations are now disappearing," (as stated by a source of the Ministry of Foreign Affairs [MOFA]). While the government plans to ask for China's cooperation in negotiations on the CTBT [Comprehensive Test Ban Treaty], it intends to speed up efforts to improve bilateral relations with the year 1997 marking the 25th anniversary of the normalization of Japan-Sino diplomatic relations.

Foreign Minister Yukihiko Ikeda summoned Chinese Ambassador to Japan Xu Dunxin to the MOFA building on 29 July to lodge a scathing protest against China's latest nuclear test. Ikeda told the Chinese ambassador that the Japanese Government expects the "moratorium (on nuclear testing) to continue." In reply, Xu stated that China hopes that the "nuclear test issue will not affect relations between the two countries."

Regarding the question of resuming Japan's grants in aid to China, which have been suspended in protest against the latter's previous nuclear testing, Administrative Vice Foreign Minister Sadayuki Hayashi indicated: "Since the test was conducted just now, we do not feel like resuming grants in aid immediately."

Japan: LDP Leader Meets CPC Official on Four-Way Talks

OW0108062796 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Jul 96 Morning Edition p 2

[FBIS Translated Text] Taku Yamasaki, chairman of the Policy Research Council of the Liberal Democratic Party [LDP], met with Dai Bingguo, deputy head of the International Liaison Department of the Chinese Communist Party, at the LDP headquarters on 29 July. In connection with the current situation of the DPRK (North Korea), Yamasaki called on China to "realize the quadrilateral talks with the Republic of Korea, North Korea, China, and the United States participating." In response, Dai said: "We would like Japan to deal with the food aid apart from the quadrilateral talks." In this way, he urged Japan to give priority to providing the food aid.

Japan: Aid Group Sees Severe Flooding in DPRK

OW0108112896 Tokyo KYODO in English 1001 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Members of a Japanese aid group just back in Tokyo from North Korea said Thursday they witnessed heavy damage to the country's southern districts due to heavy rains in late July.

The members of the group, which is chaired by Mutsuko Miki, widow of Former Prime Minister Takeo Miki, were in North Korea to present a consignment of bananas to children affected by a food shortage caused by severe floods in the country last year.

At a press conference in Tokyo, the group's members said that between Wonsan on the country's central east coast and Pyongyang, 150 kilometers west of Wonsan, they saw rivers which had burst their banks and flooded paddy fields.

Kiyomi Yoshida said visibility was "virtually zero in heavy rain which fell July 28."

"We could travel on the roads, but everywhere there were landslides and there was water over the roads enough to cover the tires," Yoshida said.

She said levees along a river in Pyongyang were also damaged and more than a meter of floodwater covered fields in many places on the outskirts of the capital.

Members of a North Korean committee set up to deal with flooding told the group that they "feared the damage was worse than expected" and that they would need international assistance, Yoshida said. The group was in North Korea from July 24 until Tuesday [30 July].

The (North) KOREAN CENTRAL NEWS AGENCY (KCNA) has reported floods have caused heavy losses of life and serious damage in many parts of the country.

North Korea has been battered by torrential rains in areas, including Pyongyang and South Pyongan, since July 15, KCNA reported, saying, "unprecedented heavy rains seriously damaged vast areas of the country and unexpected floods caused heavy losses of human lives."

Tokyo Considering Sending Humanitarian Aid to DPRK

OW0108131196 Tokyo YOMIURI SHIMBUN in Japanese 1 Aug 96 Morning Edition p 3

[FBIS Translated Text] The government decided on 31 July to consider sending humanitarian aid, including food, to victims of flood caused by heavy rain in the DPRK (North Korea). If a request comes from an international organization, Japan would send aid regardless of whether the DPRK accepts the proposed four-way talks (the ROK, the DPRK, the United States, and the PRC). This was revealed by a senior official of the Foreign Affairs Ministry on the same day.

Japan: LDP, CPC Officials Discuss Food Shortages in DPRK

OW0108123796 Tokyo SANKEI SHIMBUN in Japanese 30 Jul 96 Morning Edition p 3

[FBIS Translated Text] Dai Bingguo, deputy head of the CPC International Liaison Department, met Taku Yamasaki, chairman of the Liberal Democratic Party [LDP] Policy Research Council, at the LDP headquarters on 29 July and exchanged views on the situation in the DPRK (North Korea). Dai showed optimism over the food shortages in North Korea, saying: "The situation has improved to the point where North Korea will be able to overcome its food crisis."

Dai cited the following information obtained while visiting North Korea in early July: 1) Farmers will begin harvesting corn in September; and 2) a total of 1.4 million tons of food supplies, including 500 thousand tons from Japan, arrived as foreign aid over the past year. In this way, Dai stressed that prospects are good that North Korea's food situation will improve.

In regard to the proposed four-way talks among the ROK, DPRK, the United States and the PRC, Dai requested further Japanese aid, saying: "We have been trying to get North Korea to participate. However, it is desired that Japan treat the issue of food aid and the four-way talks separately."

In response, Yamasaki expressed his view that North Korea's acceptance of the four-way talks would be a precondition to Japan's providing food aid. He said: " We have to give priority to our relationship with the ROK, with which we have diplomatic ties."

Turning to other matters, Dai said: "It has been reported in Japan that the North Korean leadership under Secretary Kim Chong-il will collapse, but that will not happen. The case here is different from that of Romania."

This is Dai's first visit to Japan. He assumed his current post in July after serving as vice minister of the Chinese Ministry of Foreign Affairs (equivalent to administrative vice minister of foreign affairs) from 1994.

Japan: Mekong Task Force Urges Tokyo's Help to Cambodia, Laos

OW0108112696 Tokyo KYODO in English 1016 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — The Foreign Ministry's special task force on development of the Mekong River basin called Thursday for concentrating Japan's economic aid into Cambodia and Laos as part of efforts to develop the region in a balanced manner.

The team, headed by Akira Nakajima, deputy chief of the ministry's Economic Cooperation Bureau, also said in a report that it is necessary to improve infrastructure in the region as a whole, not through a traditional country-by-country approach.

The task force also pointed to the need to grasp the situation of environmental destruction in the region and come up with steps to be taken to tackle it, according to the report.

The group, established in March, includes top executives of four private consulting companies, with officials of the Foreign Ministry and other government ministries concerned participating as observers.

The report is the product of the task force's seven discussion sessions on how the region should be developed in a comprehensive and balanced fashion.

The 4,425-kilometer-long Mekong River, the world's 12th-longest, links China, Myanmar [Burma], Laos, Thailand, Cambodia and Vietnam.

Tokyo To Provide Pakistan With $18.4 Million in Grants

OW3107140996 Tokyo KYODO in English 1317 GMT 31 Jul 96

[FBIS Transcribed Text] Islamabad, July 31 KYODO — Japan will provide Pakistan with $18.4 million in grants under two separate agreements signed Wednesday by Japanese Ambassador Takao Kawakami and Javed Talat, secretary at the Ministry of Economic Affairs.

Under the first agreement, $17.6 million will be provided for the establishment of a 140-bed mother and child health center at the Japan-aided Pakistan Institute of Medical Sciences in Islamabad.

The center will also have facilities for in-house residential training for midwives and gynecologists, officials said.

Pakistan has one of the highest infant mortality rates in the world, as well as of women who die in childbirth.

The project has been sponsored by the Japanese Government under its Global Issues Initiative (GII) on population and AIDS and is due for completion in June 1998.

Under the second agreement, debt relief worth $800,000 will be provided to finance imports of medical and scientific equipment.

Japan: MOT Considering 'Transit Fee' for Aircraft Flying Over Country

OW0108130896 Tokyo SANKEI SHIMBUN in Japanese 30 Jul 96 Morning Edition p 1

[FBIS Translated Text] On 29 July the Ministry of Transport [MOT] began studying the possibility of adopting a system of charging "air space transit fees" on aircraft according to the distance they fly over Japan's air space. The purpose of adopting such a system is to use it as a new source of revenue to help finance the development of the country's future aviation safety system. While the details of the plan are to be worked out in the future, the transit fees are likely to be added to the price of airline tickets at the expense of passengers. Since this would lead to higher airline fares, passengers are likely to voice complaints.

Transit fees are charged by most countries in the world, excluding Japan and the United States. Russia charges $56 on each aircraft for every 100 kilometers the aircraft flies over its air space. So far, Japan has deferred adopting the system to encourage foreign airline companies to use Japanese airports.

The MOT has decided to consider adopting the transit fee system due to growing discord between the ministry and foreign airline companies over the use of the "Multifunctional Transportation Satellite" (MTSAT), which the MOT plans to launch in 1999 and 2004.

The MTSAT links aircraft with air traffic control facilities on the ground. The existing system uses short wave radio to relay the position of aircraft to control facilities on the ground. However, the MTSAT system has the following advantages: 1) The position of aircraft can be automatically relayed even if they are flying over the ocean beyond the range of radars, and this will drastically increase the accuracy of air traffic control; and 2) aircraft will be able to choose the best flight route as well as save fuel.

The MOT has requested airline companies to use the MTSAT to communicate once their aircraft enter the Tokyo Air Traffic Control zone. However, foreign airline companies are planning to use the INMARSAT's (International Marine Satellite Organization) satellites which cover the whole world and consider that "the MTSAT is Japan's own problem."

A total of approximately 110 billion yen has been allocated toward MTSAT-related air route improvement projects in the sixth and seventh five-year airport improvement plans. The budget for each satellite is approximately 30 billion yen. Since the satellite also serves as a meteorological satellite, it needs to be replaced about every five years. Since the costs of air route improvement projects are expected to rise in the future, securing a source of revenue has been a pending issue.

Basically, fees for using the MTSAT are to be paid by airline companies when their aircraft pass over air space under the jurisdiction of the Tokyo Air Traffic Control. Currently, only domestic airliners are expected to use the MTSAT. The MOT thus decided to consider charging transit fees to make up for the expected revenue shortfalls.

Japan: Editorial Views Ceiling on Defense Budget Spending

OW0108132596 Tokyo ASAHI SHIMBUN in Japanese 29 Jul 96 Morning Edition p 5

[Editorial: "Defense Expenditures 'For First Year of Structural Reform'"]

[FBIS Translated Text] Coordination between the ruling parties over the issue of setting a ceiling on defense budget requests has reached the final stage.

The Defense Agency [DA], whose defense expenditures for FY96 were about 4.8 trillion yen, is demanding a 4.5 percent, or 220 billion yen, increase. The Liberal Democratic Party [LDP], which supports the DA's demand, and the Social Democratic Party [SDP] and New Party Sakigake, which insist on keeping the budget increase down to the 2 percent level, are in a head-on collision. Fundamentally, the political structure itself has not changed since the era of the Murayama administration.

But the atmosphere surrounding the defense expenditures have changed significantly since 1995. We just cannot ignore this fact.

First, a partial reorganization and relocation of the U.S. military bases in Okinawa will start next fiscal year. Because of this, an agreement was reached between Japan and the United States that Japan would shoulder all the expenses needed for the base relocation.

Only 2 percent of the entire military bases, including the Marine Corps Air Station Futenma, will be returned. Nevertheless, Japan will have to pay more than 500 billion yen for many years to come. The problem is whether or not the government should treat this money as defense expenditures.

Regarding relocation of the bases and promotion of economic development in Okinawa, the three ruling parties agreed to "treat the issues separately during the course of budget compilation." On the strength of this agreement, the LDP insists that the expenses needed for base relocation should be treated differently from the defense expenditures. But the SDP is voicing opposition, saying that it is not appropriate to come to such a conclusion at this stage.

But let us remind ourselves of the following. Taxpayers' money is used to pay for the defense expenses to maintain the minimum defense capability needed for national security. Moreover, the Japan-U.S. joint statement on security, which was issued recently, reconfirmed that the U.S. bases in Okinawa were very important not only for Japan's security, but also for the stability in the Asia-Pacific region.

The DA needs additional money to deal with Okinawan issues, which have been neglected for half a century. But it is not reasonable to treat, from the beginning, the expenses needed for base relocation separately from defense expenses. The government should try to gain understanding from the taxpayers by reducing the budget of the Self-Defense Forces [SDF] and using the money saved for settlement of Okinawan base issues.

Secondly, the government has no choice but to review its spending structure itself because the national deficit has grown so big that it can no longer be left untouched.

The SDF's personnel and food expenses and payments for aircraft, warships, and other frontline equipment, which were purchased during previous fiscal years, account for 80 percent of the defense budget. Although it was asked in the past to use the defense budget efficiently, the DA failed to do so because it was unable to revise this rigid nature of the defense expenses.

The DA has no choice but to take the first, bold step toward downsizing its organizations and curbing weapons procurement to make FY97 worthy of the "first year of reforming the financial structure," as the LDP calls it.

To do that, it is indispensable, although direct military threat to Japan has diminished, for the DA to assume the stand of always seeking an efficient defense posture while taking into account the political environment in east Asia, where stability and instability coexist.

The Murayama administration announced last year an outline of new defense plans, which contains measures for dealing with the post-Cold War era, and a five-year defense buildup plan, which started this fiscal year. During discussions for setting a ceiling on budget requests, the LDP insisted on the need to give the DA a budget increase worthy of the second year of the new defense plan.

However, we repeatedly raised a question, asking if the defense plans were desirable for peace and military reduction in east Asia. Needless to say, the structural reform for the defense expenses will become a pipe dream if the ruling and opposition parties rely on already existing plans and stop thinking.

Politicians in Nagata town often say that the security issue does not attract votes. This is the worst expression that makes a fool of the voters.

There are important security tasks, including cooperation between Japan and the United States during an emergency. They should be brought to the people's attention during the next general election. Why the lack of a heated debate between the ruling and opposition parties over the issue of setting a ceiling on budget requests from ministries and agencies?

Japan: DA Plans To Reduce GSDF Personnel, Hire More Reservists

OW0108090496 Tokyo SANKEI SHIMBUN in Japanese 27 Jul 96 Morning Edition p 2

[FBIS Translated Text] On 26 July, the Defense Agency [DA] firmed up a policy designed to reduce the number of Ground Self- Defense Force [GSDF] personnel by about 1,400 by the end of fiscal 1997 [FY97]. This is a measure to be taken in the wake of GSDF reorganization based on a new "National Defense Outline Program," which was announced in November 1995. It will be the SDF's first full-fledged personnel reduction. Moreover, the DA also wants to recruit about 1,300 readily available reservists next fiscal year.

As a first step of shifting to the new system, the DA is making the final coordination to reorganize the Western Army's 4th Division (Fukuoka) in FY97

To be concrete, the DA plans to reduce the number of general regiments, which are placed under the jurisdiction of divisions, from the current four to three. At the same time, the DA will form a new regiment composed mainly of the SDF reservists. The number of SDF personnel, who will to be reduced, is almost equivalent to the number of personnel at one regiment.

The readily available SDF reservist system, which will be introduced next year, will make up for the planned personnel reduction. Ordinarily, the readily available reservists will be working at private companies, but they will respond to SDF's call during an emergency. A parent body of this new system is already taking root as an SDF reserve system. However, former SDF personnel, who retired from the SDF recently, will be hired as readily available reservists. The number of days for their compulsory training each year will be increased so that the reservists can be viewed as a fighting force similar to active SDF personnel.

Following the reduction of GSDF personnel from 180,000 to 160,000, the new National Defense Outline Program plans to use the readily available reservists to make up for a reduction of 15,000 personnel.

The DA will submit to the 1997 ordinary Diet session a proposal for revision of the SDF Act, which is needed for introduction of the readily available reserve system.

Japan: Administrative Reform Study Group Urges Expense Cuts

OW0108101296 Tokyo KYODO in English 0936 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — A lawmakers' study group on administrative reforms Thursday called for slashing government expenses and pressing ahead with the privatization of governmental businesses and special corporations before talking about a tax hike.

The group, led by Former Prime Minister Morihiro Hosokawa of Shinshinto (New Frontier Party), Economic Planning Agency Director General Shusei Tanaka of New Party Sakigake, and Former Posts and Telecommunications Minister Junichiro Koizumi of the Liberal Democratic Party, made eight proposals on the issue in its "urgent proposals for administrative reforms: Vol. 1."

Their recommendations include prohibition in principle of employment of retired elite bureaucrats by companies and permission for entry into the postal business by private enterprises.

The group also urged drastic streamlining of councils and committees of the government ministries and agencies, as well as a separation from the Finance Ministry's jurisdiction of surveillance and inspections of financial institutions.

Hosokawa, Tanaka and Koizumi are seeking to impress the electorate with their study on what they call a nonpartisan issue and to take the initiative in another expected realignment of Japanese politics after the next general election, political observers said.

The group stressed the importance of putting a higher priority on administrative reforms than on fiscal reforms.

It also emphasized the need to cut government expenditures through an overall review of the budgets and to increase revenues through privatization of special governmental corporations.

The group advocated a 10-year program to reduce the number of central government employees with a numerical target.

"We made the proposals to the people. We will make tenacious efforts to stimulate public interest in the issue," said Koizumi at a press conference.

Japan: LDP's Kato Predicts 220-230 Seats in General Election

OW0108123596 Tokyo KYODO in English
1206 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Liberal Democratic Party (LDP) Secretary General Koichi Kato predicted Thursday that the LDP will obtain 220 to 230 seats in the next general election, failing to secure a majority of 251.

In a speech to rookie LDP candidates, Kato said, "I believe we will get 220 to 230, but are not prepared enough to get 251."

Kato also said he wants to see a stable coalition government led by the LDP emerge after the election, adding that would require a grouping of parties with a total of 290 to 295 members of the house of Representatives.

Kato seemed to suggest the LDP plans to maintain the current alliance with the Social Democratic Party (SDP), although many political experts are predicting the SDP will lose seats in the poll.

Kato predicted that chances are nil the main opposition party Shinshinto (New Frontier Party) will gain a majority.

He also said the Japanese Communist Party (JCP) has a good chance of obtaining more than 30 seats, faring well especially in urban areas to put itself on a par with the SDP.

The LDP currently holds 206 seats in the 511-seat lower house against 167 seats controlled by Shinshinto.

The LDP's coalition partners SDP and New Party Sakigake have 63 and 23 seats respectively, while the JCP controls 15.

The next general election will be conducted under a new system of single-seat constituency combined with proportional representation for a new 500-seat lower house.

North Korea

DPRK: U.S. 'Air Espionage' During Jul Reported

SK0108032296 Pyongyang KCNA in English
0223 GMT 1 Aug 96

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — The U.S. imperialists carried out air espionage against the northern half of Korea on over 150 occasions in July this year, military sources said.

Espionage by "U-2" high altitude strategic reconnaissance plane numbered 30.

In ten days of late July, the U.S. imperialists conducted photographing and electronic reconnaissance on the frontline and in- depth areas and the east and west coasts of the North with 40 strategic and tactical reconnaissance planes of various kinds.

Such air espionage, synchronizing with the large-scale reinforcement of the U.S. imperialist aggression forces in South Korea, eloquently illustrates how wild the U.S. imperialists are running to ignite a war against the northern half of Korea.

DPRK: Radio Reports Flood Damage to Factories in ROK

SK3107233696 Pyongyang Korean Central Broadcasting Network in Korean
2200 GMT 31 Jul 96

[FBIS Translated Text] According to a broadcast report from Seoul on 29 July, heavy rainfall in the northern area of Kyonggi Province caused damage to small- and medium-size plants in this area.

According to the Ministry of Trade, Industry, and Energy, most of some 920 plants in Paju and some 70 plants in Yonchon County were immersed in water or lost due to the floods. At the same time, plants in Uijongbu, Namyangju, Kuri, and Yangju County are included in the flooded area.

DPRK: Pomminnyon Forms Committee for 7th Pannational Rally

SK0108032096 Pyongyang KCNA in English
0221 GMT 1 Aug 96

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — The North preparatory committee for the seventh pan-national rally was formed at a presidium meeting of the North headquarters of the National Alliance for the Country's Reunification (Pomminnyon) held here Wednesday.

The preparatory committee consists of the chairman of the North headquarters of Pomminnyon, Paek In-chun, as its Chairman, Vice- Chairmen Yo Yon-Ku and Han Si-hae as its vice-chairmen and 14 members.

The meeting discussed a series of measures for the preparation of the seventh pan-national rally, the matter of making preparations for sending delegates to the rally due in Seoul, as well as the matter of successfully holding the rally.

DPRK: ROK NSP's Arrest of Cho Song-u Decried

SK0108032496 Pyongyang KCNA in English 0224 GMT 1 Aug 96

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — The South Korean puppet Agency for National Security Planning [NSP] on July 29 arrested Cho Song-u, chairman of the Policy Committee of the National Congress for Independent and Peaceful Reunification in South Korea, by invoking the notorious "National Security Law", a Seoul-based radio said.

The fascist clique charged that he dispatched South Korean personages to the contacts with North Korean personages abroad a few days ago without the authorities' "permission" and "masterminded" them to draw up an agreement on reunification by means of Koryo confederacy and withdrawal of the U.S. Forces from South Korea.

DPRK: Paper Criticizes ROK's Sending Students to Prison

SK0108043096 Pyongyang KCNA in English 0418 GMT 1 Aug 96

["Baneful Atrocity Against Reunification" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — Some time ago, the Kim Yong-sam fascist clique dismissed appeals of students Chong Min-chu and Yi Hye-chong, who had visited the northern half of Korea as delegates of the South Korean Federation of University Student Councils (Hanchongnyon) under the South headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), and sentenced them to three years' imprisonment.

Commenting on this, a news analyst of NODONG SINMUN today says:

The two girls had visited the North to participate in the grand national reunification festival celebrating the 50th anniversary of the country's liberation as delegates of Hanchongnyon under the South headquarters of Pomchonghangnyon and conducted righteous activities conducive to national reconciliation, unity and reunification.

This notwithstanding, the South Korean puppets had persecuted the admirable daughters of the nation called envoys of reunification and "birds of hopes for reunification" in prison for one year, before imposing prison terms on them on charges of having visited the North without their prior permission.

It is ridiculous to [word indistinct] them. By invoking the "National Security Law" defining the fellow countrymen in the North as the "enemy" the puppets have ruthlessly suppressed and punished patriotic students and people who called for contacts and dialogue with the North.

Unreasonable is the allegation of the Kim Yong-sam group that the girls voiced support to the north's proposal for reunification through confederacy. What they seek in this is to eliminate patriotic students.

The puppets are resorting to sword-brandishing to dampen the ardent desire of South Korean people for reunification through alliance with communism and with the North, which is daily gaining momentum with the approach of the August 15 pan-national rally, and frustrate it at any cost.

South Korean people are keeping tabs on the crimes of the Kim Yong-sam group, firmly determined to make them pay a thousand-fold for their crimes.

DPRK: PRC Military Attache Throws Party for PLA Anniversary

SK0108060996 Pyongyang KCNA in English 0418 GMT 1 Aug 96

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — Liu Jianhua, military attache of the Chinese embassy here, arranged a cocktail party at the embassy on July 31 on the occasion of the 69th anniversary of the founding of the Chinese People's Liberation Army [PTA].

Invited were vice marshal of the Korean People's Army [KPA] Kim Kwang-chin, first vice-minister of the People's Armed Forces, Lt. Generals Pak Sung-won and Han Tong-kun and other generals and officers of the KPA and military attaches of foreign embassies here.

Present there were Chinese Ambassador Qiao Zonghuai and embassy officials.

Speeches were exchanged at the cocktail party.

DPRK: Choe Kwang Sends Greetings Message to PRC Defence Minister

SK0108102796 Pyongyang KCNA in English 1016 GMT 1 Aug 96

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — Marshal Choe Kwang of the Korean People's Army, minister of the DPRK People's Armed Forces, sent a message of greetings to Chi Haotian, vice-chairman of the Central Military Commission, state councillor and minister of national defence of China, on the occasion of the 69th anniversary of the foundation of the Chinese People's Liberation Army (CPLA).

Choe Kwang hoped that the officers and soldiers of the CPLA will achieve greater success in the work to build elite armed forces with Chinese characteristics and increase the defence capabilities under the leadership of the Communist Party of China headed by the respected Comrade Jiang Zemin.

Korea-China friendship forged and developed by the leaders of the two countries will continue to strengthen and develop, he stressed in the message.

DPRK: Chang Chol Meets Delegation From PRC Middle School

SK0108102896 Pyongyang KCNA in English 0901 GMT 1 Aug 96

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — Vice- Premier Chang Chol met and had a friendly talk with the delegation of the Jilin Yuwen Middle School of China led by its Principal Chen Zhiyan at the Mansudae Assembly Hall today.

The principal said that the Jilin Yuwen Middle School is where President Kim Il-song, the great leader of the Korean people and an intimate friend of the Chinese people, conducted his revolutionary activities and that his revolutionary relics have been preserved properly in the school.

This shows well deep respect of the Chinese people for the president, she noted.

She expressed the conviction that the Korean people would make greater success in socialist construction under the leadership of the Workers' Party of Korea headed by the great Comrade Kim Chong-il.

DPRK: Paper Comments on Hashimoto Visit to Shrine

SK0108042096 ?yongyang KCNA in English 0356 GMT 1 Aug 96

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — NODONG SINMUN today comments on Japanese Prime Minister Ryutaro Hashimoto's visit to Yasukuni Shrine on Monday.

It was the first time in Japan since 1985 that the Japanese government chief visited the shrine in his capacity as prime minister, the daily says.

It further says:

His visit indicates that to realise the old dream of "Greater East Asia Coprosperity Sphere" by [word indisctinct] the departed spirit of militarism is what Japan has pursued.

Japan, heedless of local and foreign public denunciation, has neither admitted its crime of aggression nor apologized for it.

Worse still, the Japanese authorities have embellished Japan's past crimes and even eulogized them.

Japan has already finished all preparations necessary for overseas aggression.

The recently published "White Paper on Defence" included a new chapter "Multifarious Duties of Self-Defence Forces", which was announced officially as a policy.

This is another dangerous step Japan has taken for overseas military expansion.

As Hashimoto's visit to Yasukuni Shrine shows, the Japanese reactionaries have become bold enough to seek reinvasion of other nations without [word indistinct] others face.

This move of Japan draws utmost vigilance from Asian peoples.

DPRK: Kim Yong-nam Meets Outgoing UNDP Representative

SK0108103596 Pyongyang KCNA in English 0823 GMT 1 Aug 96

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — Kim Yong- nam, vice-premier and foreign minister of the DPRK, today met and conversed with G. Faruq Achikzad [spelling of name as received], resident representative of the United Nations Development Programme to the DPRK, who paid a farewell call on him.

DPRK: Kim Yong-nam Congratulates Central African Minister

SK0108103496 Pyongyang KCNA in English 0822 GMT 1 Aug 96

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — Foreign Minister Kim Yong-nam sent a message of greetings to Michel Gbezera Bria [spelling of name as received] upon his appointment as Central African foreign minister.

The message wished the foreign minister success in his responsible work.

DPRK Dailies Praise Kim Il-song Work on Great National Unity

SK0108102996 Pyongyang KCNA in English 0749 GMT 1 Aug 96

["Great National Unity Called For" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — Papers here today dedicate articles to the fifth anniversary of the publication of the great leader President

Kim Il-song's famous work "Let Us Achieve the Great Unity of Our Nation."

In his talk to the senior officials of the Committee for the Peaceful Reunification of the Fatherland and the members of the North headquarters of the National Alliance for the Country's Reunification on August 1, 1991, the president indicated in an all- round way all the theoretical and practical problems arising in achieving great national unity — correlation of national reunification and great national unity, driving force behind national reunification and basis of great national unity, fundamental principles for great national unity, and ways of achieving it.

Comrade Kim Il-song said:

"Great national unity is a fundamental precondition for the achievement of the independent and peaceful reunification of our country, as well as the most essential aspect of it. The first and foremost task in achieving national reunification is to achieve the great unity of our nation."

NODONG SINMUN in a signed article says:

Comrade Kim Il-song in the work said that the driving force of national reunification is the entire Korean nation, adding that the strength of the driving force is precisely the strength of its unity and that the decisive guarantee for the independent and peaceful reunification of the country lies in strengthening the driving force of reunification.

And he said that all the Korean people must unite close under the banner of great national unity, in the spirit of patriotism and national independence to achieve the national reunification.

His idea of great national unity is a summing-up of the precious experience accumulated by Comrade Kim Il-song, who led the revolution and construction to victory, regarding it as the iron truth of revolution that dependence on the united strength of the people leads to a certain victory.

He also illumined down to details basic principles for great national unity, tasks and ways of achieving it, such as the matter of making it a basic principle of great national unity to subordinate everything to national reunification and the matter of widely encouraging contacts and visits among the fellow countrymen in the North, South and abroad and actively promoting dialogue among them.

His work is a great charter of national reconciliation and unity as well as a banner of reunification, the article says, and goes on:

All the fellow countrymen in the North, South and abroad should unite close as one and turn out in a struggle to check and frustrate the schemings of bellicose elements within and without for permanent division of the nation and provocation of a new war.

They should hold high in the van of the nation the great leader Comrade Kim Chong-il, sun of the nation, lodestar of national reunification and saviour of the nation's destiny, and reunify the country at an early date with the united strength of the nation under his guidance in accordance with the intention of Comrade Kim Il-song in his lifetime and his last teachings.

DPRK: Sohae Lockgate's Workers' Efforts Reported

SK3107141896 Pyongyang Korean Central Television Network in Korean 1100 GMT 31 Jul 96

[FBIS Translated Text] Functionaries and working people of the Sohae Lockgate have effectively carried out the management and operation of the lockgate, which has been built in accordance with the great nature-remaking plan of the great leader and the respected and beloved general. Thus, they have protected various areas throughout the Taedong River basin, including Pyongyang, from flood damage, and have proved its worth with each passing day:

[Begin unidentified person recording] As you can see, our Sohae Lockgate has become the world's top-ranking monument, and has further demonstrated its vitality and majestic appearance with each passing day thanks to the respected and beloved general's wise leadership and energetic guidance to brilliantly implement the great nature-remaking plan mapped out by the great leader.

As the comrade reporter can see here, an unprecedented amount of water is streaming down through here because heavy rains have continuously fallen during this year's rainy season, and over the last few days, torrential downpours have fallen heavily at this location. However, our Sohae Lockgate has locked its floodgates at high tide and opened all floodgates at ebb tide so as to empty enormous amounts of water into the sea. By so doing, we are working to protect Pyongyang, our capital city, and countless farmland from flood damage.

Over the past two days, we have discharged 25 cubic of water [isip ippangui muri] into the sea. We can easily figure out how enormous the flood damage could have been if the fatherly leader and the respected and beloved general had not built the Sohae Lockgate.

At this moment, under conditions in which such an enormous amount of water is flowing, functionaries and working people of the Sohae Lockgate are concentrating all their efforts to lower the water level of the Taedong River. While giving direct on-the-spot combat instructions on regulating the water level, we have instantly coped with the problems arising in the zrocess of controlling the water level. Thus, we have conducted water-level observations in detail, have discussed the electricity and (?telecommunication construction problem), and have kept close contacts with water management posts. In addition, we have done a thorough job on the technical management of various equipment, including the floodgates, and have effectively carried out advance maintenance. By so doing, we have prevented damage from natural calamities by entirely emptying the water from the Taedong River reservoirs.

In the future, we will control the water level of the Taedong River by thoroughly setting up the water management system and by effectively carrying out equipment management and floodgate operations. By so doing, we will prevent even small damages from occurring. [end recording]

South Korea

ROK: LWR Construction Official on Negotiations, Flood Damage

SK0108121796 Seoul SEOUL SINMUN in Korean 1 Aug 96 p 2

[Interview with Kim Yong-mok, special assistant to the director of the Office of Planning for the Light-Water Reactor Project, by reporter Ku Pon-yong on 31 July; place not given — first three paragraphs are reporter's introductory remarks]

[FBIS Translated Text] "If negotiations for the light-water reactor's [LWR] construction are smoothly conducted, the foundation work will likely begin within this year." This is the statement made by Kim Yong-mok, special assistant to the director of the Office of Planning for the Light-Water Reactor Project, upon his return to Seoul after attending negotiations between the Korean Peninsula Energy Development Organization [KEDO] and North Korea to formulate follow-up protocols as regards LWR construction.

On 31 July, this reporter met with Kim Yong-mok, who had attended the negotiations held in Mt. Myohyang in North Korea in the capacity of ROK representative.

He stated: "During the negotiations on the protocol regarding the services to be provided by North Korea, no agreement was reached that narrowed the differences in view between the wage level presented by our side and the wage level demanded by the North." Thus, he hinted that the North demanded a higher wage level than North Korean workers' current wage level as prescribed by North Korean law.

[Ku Pon-yong] What was the result of the negotiations?

[Kim Yong-mok] During the negotiations, no written agreement on the protocol was formulated, but agreements on many points were concretely discussed and reached through dialogue. Accordingly, I believe two protocols on the LWR construction site and services can be settled during the next round of negotiations. We proposed to North Korea holding the next round of negotiations in New York beginning 20 August.

[Ku] What was the North Koreans' attitude during the negotiations?

[Kim] The North Koreans seemed very positive about the negotiations. They seemed to want to have as much manpower as possible take part in the LWR construction project so they can earn as many benefits as possible.

[Ku] We have heard that many differences regarding the size of the LWR construction site emerged during the negotiations. Is it true KEDO requested North Korea provide 5.5 million pyong [one pyong equals 3.954 sq yds] for the site?

[Kim] The North Koreans seemed to understand our request. However, since no official agreement has been reached, I cannot reveal anything further.

[Ku] What about the wage scale for North Korean workers?

[Kim] The negotiations on the service protocol between KEDO and North Korea are to decide on the wage level for only those North Korean workers who will take part in the LWR construction project. During the negotiations, the two sides revealed many different views on this matter.

[Ku] We understand that due to the recent heavy rains in the central part of the Korean peninsula, North Korea also suffered serious flood damage. What did you witness?

[Kim] While I was in North Korea, there was heavy rainfall. We were scheduled to visit Sinpo, a proposed site for the LWR construction, on 27 July. However, the visit was canceled because of the rain. Later, we were told that due to heavy rain, the railway connection to Sinpo was washed away in many places.

ROK: DPRK Reiterates Conditions for Dialogue

SK0108024996 Seoul YONHAP in English 0229 GMT 1 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — North Korea again demanded Wednesday that South

Korea meet the two conditions for resuming the suspected inter-Korean dialogue — an "apology" for refusing to condole after Kim Il-song's death and "a truly unification-oriented posture," the CHOSON ILBO reported Thursday, quoting Kim Chong-u, chairman of the North's external economic cooperation promotion committee.

In an interview with the newspaper in Hong Kong, Kim, a technocrat known to be close to the communist state's de facto leader Kim Chong-il, said, "there are two conditions for resuming the dialogue. First, (South Korea) must apologize for refusing to express condolences following great leader Kim Il-song's death. Second, (it) must show a truly unification-oriented posture.

"And technically, (South Korea) must also implement the North- South agreement on reciprocity, non-aggression, cooperation and exchange it signed in February 1992. Otherwise, there will be no reconciliation."

When asked about South Korean investment in the Najin-Sonbong free trade zone, Kim, who is visiting Hong Kong to attract investment from the British colony, said, "We had high expectations for South Korean business investments. So far, 570 South Korean companies have sent missions to the area for an investment survey. Although they have shown great enthusiasm, they have not invested because the South Korean government is standing in their way. The government once barred investment related to the nuclear issue, and now is repeating its policy on the four-nation meeting proposal. This is not a good policy. Poor infrastructure in the area is a problem but the South Korean government's interference is a bigger problem."

He said the South Korean trade-investment promotion agency could open an office in the Najin-Sonbong free trade zone if many South Korean companies invested in the area.

On the recent floods reported in his country, Kim said, "I have been told that the flood damage in North Korea last week was worse than last summer, particularly in the Hwanghae and Kangwon areas."

He flatly denied press reports that Pyongyang has diverted foreign rice assistance for military use, saying the report was nothing but "fiction."

When asked about his alleged remarks in Washington earlier this year indicating that his country has four atomic bombs, Kim said it was the "fabrication" of a SANKEI SHIMBUN correspondent from Japan, and asked, "Hasn't my government announced that it has no nuclear arms?"

He also denied press reports that he is related to the late Kim Il-song by blood, saying he has no consanguineous relationship whatsoever with him. "This is another news reporter's fiction," he said and added, "nobody has ever asked me about it."

ROK: DPRK Annual Reports Aug 94 PRC Meeting on Armistice

*SK0108054296 Seoul YONHAP in English
0532 GMT 1 Aug 96*

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — It was in a vice foreign ministers meeting held in Beijing in August 1994 that North Korea and China acknowledged the need to replace the Korean armistice agreement with "a new peace regime," it was belatedly learned Thursday.

The acknowledgment was agreed to by the North's Vice Foreign Minister Song Ho-kyong and his Chinese counterpart Tang Jiaxuan when they met in Beijing Aug. 30, 1994, in their capacity as special envoys, according to the "Choson (Korea) Central Annual 1995" Pyongyang has recently published.

"(North) Korea and China acknowledged the urgency of replacing the Korean armistice agreement with a new peace regime to meet the demands created by the current situation on the Korean peninsula as well as changes in the international situation," the annual said.

The annual, published by the official Korean Central News Agency [KCNA], reflects Pyongyang's official stance on major events at home and abroad.

"The Chinese Government has decided to withdraw the Chinese People's Volunteer Forces mission from the Military Armistice Commission at North Korea's request and in consideration of the current state of affairs in which North Korea has already withdrawn from the Military Armistice Commission and the commission has been in actuality paralyzed," the annual said.

The Chinese delegation to the Military Armistice Commission was withdrawn Dec. 15, 1994.

China's such position represents a departure from the some pundits' thought that Beijing has persuaded North Korea into abiding by the armistice agreement and is reportedly encouraging it to accept the four-party peace talks on the Korean peninsula proposed by South Korea and the United States.

In a Foreign Ministry statement April 28, 1994, North Korea proposed direct talks with the United States to replace the armistice agreement with "a new peace regime." The North virtually invalidated the armistice agreement when it renounced its obligations related to the maintenance of the Military Demarcation Line and the demilitarized zone at the same time.

In addition, North Korea unilaterally pulled back its delegation from the Military Armistice Commission and established "the Democratic People Republic of Korea People's Armed Forces Mission" in Panmunjom.

ROK: DPRK Reportedly Offers To Exclude PRC From 4-Way Talks

SK0108150796 Seoul MBC Television Network in Korean 1200 GMT 1 Aug 96

[FBIS Translated Text] For the first time, North Korea has sent a reaction to the four-way talks proposal which was made by the presidents of the ROK and the United States in April.

North Korea has shown an indication that it will accept three-way talks that exclude the PRC instead of the proposed four-way talks that would consist of the ROK, North Korea, the United States, and the PRC. Washington correspondent Kim Taek-kon files this exclusive report.

[Begin Kim Taek-hon recording] A Washington diplomatic source well-versed in ROK and North Korean affairs said today that, during recent North Korea-U.S. contacts in New York and through an unidentified North-South channel, North Korea sent a counterproposal to the four-way talks. North Korea first demanded that the PRC be excluded; the Presidents of the ROK and the United States originally included the PRC in the four-way talks proposal. The source stated that North Korea proposed so-called two-plus-one talks in which the ROK and the United States are on one side and North Korea on the other.

The ROK and the United States consider the proposal a positive turnaround, at least for the moment. In the meantime, they are closely watching the PRC's reaction while trying to determine North Korea's real intention in excluding the PRC.

Washington diplomatic experts feel North Korea's real intention to exclude the PRC derives from North Korea's distrust of the PRC. North Korea may have judged that a PRC bent on economic development is likely to regard North Korea as a bargaining chip in return for a friendly U.S. policy toward the PRC and safety on the Korean peninsula. In the end, the experts surmise that the North Korean action improved the situation in which North Korea could have been cornered three to one at the four-way talks.

The source conveyed that the ROK and the United States believe the suggestion may be North Korea's temporary expedient to garner as much food aid as possible by stalling for time without spurning the four-way talks directly. [end Kim Taek-hon recording]

ROK: DPRK's Kim Chong-u on Najin-Sonbong Zone, Flood Damage

SK0108001996 (Internet) The Digital Chosun Ilbo WWW in English 1208 GMT 31 Jul 96

["Excerpts" of interview with Kim Chong-u, chairman of the North's Committee for the Promotion of External Economic Cooperation, by CHOSON ILBO's Hong Kong-based correspondent at the Conrad Hotel in Hong Kong 31 July; Kim has been touring Japan and Hong Kong for the purposes of explaining the opportunities for foreign investment in North Korea; quoted passages are Kim Chong-u's comments]

[FBIS Transcribed Text] "...the biggest success of my trip has been the clear announcement to foreign businessmen that they are welcome in the Najin-Sonbong free trade zone.

Japanese businessmen are reluctant to take advantage of opportunities in Najin-Sonbong but Hong Kong businessmen are eager and ready. We exchanged three investment letters of intent with Hong Kong businesses for road and hotel construction in the area.

The special benefits connected with the Najin-Sonbong area include the reduction of corporate tax from 25% to 14% with a three year exemption period and a 50% reduction for the 4th and 5th years. In particular, businesses involved in infrastructure construction projects will be given a four year tax exemption period and a 50% reduction for three years thereafter. There are no restrictions on business income, profit remittance and investment levels and no customs duties or tariffs will apply in respect of primary materials, facility imports and product exports.

The Najin-Sonbong area possesses a 150,000 kw thermo-electric general power plant and KEDO [Korean Peninsula Energy Development Organization] is supplying 500,000 tons of heavy oil to its generator annually. Additionally there are 400,000 kw and 200,000 kw power plants in existence hence electricity is plentiful. In the long-run a further power plant will be constructed.

Thailand's Roxley Group will provide an exchange system and mobile communications service. Hotel facilities are currently inadequate hence for the September Conference the government will lease a Japanese floating Hotel [as received] with 500 rooms.

Conveyance of Korean parts to the North for assemblage and processing there and conveyance back to the South will be permitted not only in Najin-Sonbong but in Pyongyang, Nampo and Haeju on the condition that no South engineers or facilities are dispatched, only materials for construction. There is no intention to open these the latter-mentioned three areas as special trade zones.

So far the UK, Poland and Hong Kong have made considerable investments in the Najin-Sonbong area but Japan has yet to make any investment.

We had grand expectations for South Korean business investment and to date businessmen from 570 companies have visited and carried out investment research in Najin-Sonbong. These businessmen are keen to invest but as a result of the South Korean government's politically-motivated preventative actions there has been no actual investment at this stage.

In the past South Korea hampered development of relations between the two countries citing nuclear issues as stumbling blocks but now it hides behind the four-party talks. Insufficient infrastructure construction is problematic in Najin-Sonbong but South Korean government interference is a more serious cause for concern.

There are two conditions that must met before North-South talks can resume. First, the South must apologize for not sending condolences immediately after the death of Kim Il-song. Second, it must display a genuine attitude towards working to achieve reunification. The South government, also, should execute the North-South agreement of February 1992 concerning mutual benefit, non-aggression and cooperative exchanges.

I understand that the damage that resulted from this year's flood is more severe than that which resulted from last year's flood. The most affected area is the coastal region of Hwanghae Province. There has also been serious damage in parts of Kangwon Province.

Rice assistance dispatched from abroad was all distributed directly to residents of the flood-hit areas and it is a fabrication to suggest that the rice was re-directed to the military.

I am not in any way related to Kim Il-song...." [quotation marks as received]

ROK: U.S. Professor Says Floods Kill 'Hundreds' in DPRK

SK0108081096 Seoul YONHAP in English 0741 GMT 1 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — Hundreds of people were killed in the Hwanghae area alone during the floods that hit western North Korea late last week, according to an international relief organization.

Tetsunao Yamamori, head of an International Anti-Famine Organization, told a press conference held in the Plaza Hotel here Thursday that he had heard North Korean officials saying the recent floods claimed hundreds of lives in North and South Hwanghae Province alone.

The communist nation's food shortages will be aggravated in the months to come, as many corn fields waiting for harvest and rice paddies in the area were washed away, and the tragedy that afflicted the North Korean people after the flood last year will repeat itself, he added.

The 60-year-old Japanese-American sociology professor at Arizona State University visited North Korea July 23-30, with two containers of medicine and food, and arrived in Seoul via Beijing Wednesday afternoon.

Chong Yun-hyong, chief of North Korea's Flood Damage Response Team, appealed to international relief organizations for aid at a press conference he called at the International Children's Emergency Fund (UNICEF) office in Beijing Wednesday, attesting to how bad the situation is in North Korea, Yamamori explained.

During his visit to Unpa county, North Hwanghae Province, he heard that the county suffered 657 million U.S. dollars in flood damages last year and he saw many buildings under construction that had been left unfinished.

He said his relief organization would deliver some 20 containers of food and medicine worth 3.3 million dollars to the flood-stricken country.

He made his first visit to North Korea last April.

Yamamori's organization is an international christian relief and development body based in Geneva and maintains offices in South Korea, Japan, Canada, Norway, Britain and the United States.

ROK Plans To Return Bodies of 2 DPRK Soldiers 'Soon'

SK0108021396 Seoul YONHAP in English 0159 GMT 1 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — The bodies of two North Korean soldiers who apparently drowned while being swept away by heavy flooding will be repatriated to the North as soon as possible, the Defense Ministry said Thursday.

Ministry spokesman Yun Chang-no said the measure would be done on humanitarian grounds and that North

Korea will soon be notified of it through the Korean Military Armistice Commission.

The body of one of the soldiers, a first lieutenant, was found floating in the Imjin River near Yonchon-kun, Kyonggi Province, and the other's was discovered in Inje, Kangwon Province.

ROK: NSP Arrests 'Dissident' For Arranging S-N Contact

SK3107112596 Seoul YONHAP in English 1114 GMT 31 Jul 96

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — The Agency for National Security Planning (NSP) on Wednesday arrested a dissident leader for engineering an unauthorized South-North contact in Warsaw, Poland.

Cho Song-u, 46, chief policy officer of the National Conference for Independence, Peace and Unification, was suspected of pulling strings behind the participation by a "South Korean delegate" in the "bilateral South-North meeting" held in Warsaw on last June 18-20.

The NSP said Cho worked out a plan for the Warsaw meeting and sent Yi Song-hwan, vice chairman of the Association of Korean Youth Organizations, to the meeting.

ROK Red Cross Proposes Meeting With DPRK Counterpart

SK0108025896 Seoul YONHAP in English 0248 GMT 1 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — The (South) Korean National Red Cross (KNRC) proposed Thursday to its North Korean counterpart that liaison officers of the two sides meet to discuss the repatriation of three North Korean vessels recently found drifting in the west sea and the bodies of two crew members.

In a telephone message issued in the name of president Kang Yong- hun and addressed to his North Korean counterpart, Yi Song-ho, the KNRC said that the boats and bodies were found between July 26-29 and that they were being preserved. Kang proposed a liaison officers' contact in Panmunjom to discuss their repatriation to the North.

"From the perspective of humanitarian concerns and brotherly love, we wish to repatriate the vessels and bodies," the statement said.

ROK Helps Fund Meteorological Equipment for DPRK

SK3007024996 (Internet) The Digital Chosun Ilbo WWW in English 1154 GMT 29 Jul 96

[FBIS Transcribed Text] An official of the government said Monday that the government provided $50,000 by way of assistance out of the South-North co-operation fund on June 18 after the North requested assistance for the purchase of meteorological equipment through the WMO [World Meteorological Organization] at the beginning of the year. He said that at the time the WMO donated $10,000 from its emergency fund and asked 20 member countries for assistance.

The official said that the enormous flood damage suffered by North Korea was in part attributable to a lack of weather forecasting ability and that in return for the government's assistance package it is expected that there will be a greater exchange of meteorological data between North and South.

ROK: Japan Reportedly Ready To Consider Aid for DPRK

SK0108001796 Seoul YONHAP in English 0007 GMT 1 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 1 (YONHAP) — The Japanese Government is ready to consider providing humanitarian assistance, including food aid, to flood victims in North Korea if so requested by international organizations, the YOMIURI SHIMBUN reported Thursday.

Quoting a leading official of the Foreign Ministry, the daily said that aid would be given regardless of whether North Korea accepts the proposed four-way talks for peace on the Korean peninsula.

ROK: MOTIE Reports Increased Trade Deficit With Japan in 1996

SK3007074796 Seoul YONHAP in English 0552 GMT 30 Jul 96

[FBIS Transcribed Text] Seoul, July 30 (YONHAP) — South Korea's trade deficit in capital goods with Japan has increased despite domestic businesses' curtailed facility investment due to the sluggish economy during the first half of this year.

The Ministry of Trade, Industry and Energy (MOTIE) said Tuesday that such a deficit with Japan registered 7,915 million U.S. dollars, compared with the nation's total capital good trade deficit of 2.8 billion dollars.

The deficit with Japan was 13.79 billion dollars in 1994 and 16.7 billion dollars in 1995, and is expected to post a record high this year, MOTIE said.

In particular, the trade deficit with Japan in machinery came at 4,656 million dollars or 58 percent of the nation's total capital good trade shortfall with Japan.

ROK Foreign Ministry Seeks To Enhance Investment in Russia

SK3107061796 Seoul YONHAP in English 0558 GMT 31 Jul 96

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — The Foreign Ministry presided over a meeting of representatives from government agencies and business organizations seeking ways of enhancing South Korean trade and investment in Russia.

Officials from the Finance and Economy Ministry, the Trade, Industry and Energy Ministry, the Korea Trade-investment Promotion Agency (KOTRA), the Federation of Korean Industries (FKI), the Korea International Trade Association (KITA) and the Institute of Foreign Affairs and National Security (IFANS) were among the participants.

The meeting focused on ways of helping South Korean businesses invest in Russia's natural resources, science and technology, construction and other fields.

ROK: Kia Plans To Invest $180 Million To Build Cars in Russia

SK0108012096 (Internet) The Digital Chosun Ilbo WWW in English 1206 GMT 31 Jul 96

[FBIS Transcribed Text] Kim Sun-hong, Chairman of Kia Motors, signed in Moscow a passenger car assemblage and production agreement to build Sephia sedan and Sportage jeep-type vehicles in Kelingrad, western Russia.

Kia Motors will spend $180 million over one year to establish the plant and plans to begin assembling Sephia cars in November.

The plant will be expanded to an annual 50,000 unit capacity in 1998.

This is the first time a Korean automobile manufacturer will produce cars in Russia.

ROK: South Pacific Forum Head in Seoul To Promote Ties

SK2907030396 Seoul YONHAP in English 0142 GMT 29 Jul 96

[FBIS Transcribed Text] Seoul, July 29 (YONHAP) — Secretary General Ierremia Tabai of the South Pacific Forum flew into Seoul Monday to discuss ways to enhance relations between South Korea and South Pacific countries.

While in Seoul until Wednesday, Tabai will meet with Vice Foreign Minister Yi Ki-chu, officials from other government agencies and business leaders, a Foreign Ministry official said.

The former president of the South Pacific island state Kiribati is expected to seek enhanced investment and trade in the South Pacific region by South Korean firms, the official said.

Last year South Korea became a dialogue partner in the South Pacific Forum, an annual gathering of leaders from South Pacific countries which was launched in 1971 to seek regional cooperation.

ROK Government Announces Plan for Balancing Trade Deficit

SK0108000996 (Internet) The Digital Chosun Ilbo WWW in English 1209 GMT 31 Jul 96

[FBIS Transcribed Text] The government announced Wednesday a comprehensive plan to balance the current trade deficit by encouraging savings and discouraging consumption.

Under the plan there will be expanded tax support to encourage of savings, induce frugal consumer practices and assist exports through trade finance.

The government in its plenary sessions in September will amend the Tax Reduction Control Law and implement the new savings-oriented tax system by October at the earliest. The government will also actively educate people to rationalize their consumer lifestyle and encourage energy saving. It will cut government expenditure on general management operations.

The government will increase the rate of assistance given for trade finance which had fallen due to a drop in the exchange rate.

ROK: Trade Deficit in Agricultural Products Reaches $4.2 Billion

SK3107023396 (Internet) The Joong-Ang Ilbo WWW in English 31 Jul 96

[FBIS Transcribed Text] It was found that deficit shortfall in the agro, forestry and fishery sector is taking up a large part of Korea's steadily worsening deficit in balance of payments. Korea's exports of agro, forestry and fishery products amounted to 1.76 billion dollars in the first half of this year, up 8.2 percent from a year ago. However, imports of agro, forestry and fishery goods soared 17.4 percent to 5.95 billion dollars, the Ministry of Agriculture, Forestry and Fisheries announced Tuesday. Accordingly, the deficit in balance of payments in the agro, forestry and fishery sector came to a total of 4.19 billion dollars in the first half of this year, an increase of 21.7 percent from a year ago.

ROK Agency Surveys Firms' Attitudes on Technology Cooperation

SK0108015796 Seoul THE KOREA TIMES in English 1 Aug 96 p 8

[FBIS Transcribed Text] Korean companies are seeking to transfer their technologies to developing countries rather than import.

This was revealed in a recent survey conducted by the Korea Trade Investment Promotion Agency (KOTRA) on the attitude toward international technological cooperation.

Two hundred and eight companies were polled and they expressed their interest in 250 varieties of technology which they wish to export or import.

Among them, 131 companies or 65 percent, wish to sell 163 industrial technologies, while 77 firms or 35 percent are interested in buying advanced technology from abroad in 87 specific areas.

The 163 transferable technologies break down to 60 machine technologies, 25 technologies in the metal-ceramic industry, 16 electronics technologies and 15 electric technologies, representing percentiles of 37, 15, 10, and 9 respectively.

Of note is that companies favorable to technology transfer are small- and medium-sized. In particular, 66 of the 163 technologies have been developed and used by "mini" companies with less than 50 employees.

Those technologies were aimed at developing countries which accounted for 76 percent of the 163 technologies. Southeast Asia was the most desired destination of technology exports with 24 percent, followed by China and Southwest Asia, including Middle Eastern nations.

Half of the 163 technologies were evaluated as mature and promising on the product life cycle by the technology holders, while 36 percent are growing; 10 percent introductory; and 4 percent in decline, according to the KOTRA data.

On the other hand, small- and medium-sized companies actively seek advanced technology from?abroad as well, according to the survey.

Among the 87 technologies, 44 percent were desired by small firms with less than 50 workers, while companies staffed with 50 and 99 employees expressed their intention to import 11 technologies, marking 13 percent.

Technological transfers from foreign countries are sought by some small and medium-sized companies because they have had difficult time acquiring advanced technologies from large domestic companies, said one KOTRA researcher.

Meanwhile, the most desired industrial areas of technological cooperation were the machine and electronics industries where 21 technologies were most favored among the polled Korean firms. And some Korean companies seek 10 metal-ceramic technologies, eight automobile technologies, six chemical technologies, followed by others.

ROK: New MOTIE Group Created To Study Foreign Trade Policy

SK0108070396 Seoul YONHAP in English 0630 GMT 1 Aug 96

[FBIS Transcribed Text] Seoul Aug. 1 (YONHAP) — The Ministry of Trade, Industry and Energy (MOTIE) said Thursday that it has decided to create a working group that will be completely in charge of studying each nation's trade policies and practices.

Members of the team will include representatives from the business community, the Korea Trade-Investment Promotion Agency (KOTRA) and the Korea Institute for Industrial Economics and Trade (KIET).

The group will begin work sometime this week, and will first examine the policies and practices of 11 trade partners — Russia, the United States, Canada, New Zealand, Brazil, Saudi Arabia Zambia, Latvia, Estonia, Armenia and Colombia.

The ministry is planning to share the results with the WTO's [World Trade Organization] Trade Policy Review Body (TPRB) and domestic companies via PC networks.

The ministry explained that the group will take an active role in expressing Korea's position on various WTO trade issues by supplying domestic businesses with timely trade policy information about foreign countries that has been screened by the world trade body.

ROK: ROK Trade Deficit at 10.35 Billion Dollars in 1st Half '96

SK0108105196 Seoul YONHAP in English 0815 GMT 1 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — The trade deficit surpassed the 10 billion-U.S.-dollar mark on a customs clearance basis at the end of July, far exceeding the government's original target of 7 billion dollars for the entire year.

July exports in particular, shrank 3.1 percent from a year ago for the first time since January 1993, when national exports declined 1.2 percent.

According to statistics compiled Thursday by the Ministry of Trade, Industry and Energy (MOTIE), the nation had 10.16 billion dollar in exports, and 12.85 billion dollars in imports, resulting in a 2.70 billion-dollar deficit, a new monthly record.

As a result, Korea's trade deficit between January and July ballooned to 10.35 billion dollars, with exports and imports registering 75.26 billion dollars and 85.61 billion dollars, respectively.

The sluggish outbound shipments last month were the result of a decrease in the international prices of the nation's three largest export items — semiconductors, petrochemicals and steel, while the sharp increase in imports in July stemmed mainly from the big increase in capital good imports, MOTIE explained.

ROK Fines on Vessels Intruding Into ROK Waters Increase

SK3107233796 (Internet) The Joong-Ang Ilbo WWW in English 1 Aug 96

[FBIS Transcribed Text] Beginning Thursday, the ceiling of fines imposed on foreign vessels intruding upon Korea's territorial waters will be increased sharply from the current 20 million won to 200 million won. Also, a law on the contiguous zone outside of Korea's territorial sea will go into effect on the same day. Under this law, South Korean authorities will exercise administrative power over a 12-nautical-mile zone which will greatly reinforce the nation's jurisdiction over the surrounding sea area.

ROK: Independent Lawmaker Joins NKP

SK3107030196 Seoul YONHAP in English 0235 GMT 31 Jul 96

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — Independent lawmaker Kim Yong-kap joined the ruling party Wednesday, becoming the 13th recruit of the New Korea Party (NKP) since the April 11 general elections.

With Kim's admission, the NKP's total number of National Assembly seats increased to 152, more than half of the 299 seats in parliament.

Kim, elected from Miryang, South Kyongsang Province, told reporters at NKP headquarters in Yoido that a politician has the right to choose and enter a political party.

Meanwhile, opposition parties blasted Kim's recruitment into the NKP, demanding that the ruling party apologize to the people by cancelling Kim's admission.

"The NKP is only trying to increase its lawmakers while having no self-principle and ideology," claimed a spokesman for the National Congress for New Politics.

ROK: Trial of Those Involved in Kwangju Incident Held 1 Aug

SK0108114496 Seoul YONHAP in English 1116 GMT 1 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — The 26th session of the trial of those involved in the May 18 incident was held at the Seoul District Court Thursday.

A total of seven witnesses were questioned in the session. They included two army company commanders and a district commander of the airborne forces who led troops in the quelling of Kwangju demonstrations.

The witnesses also included Chang Se-tong, operations officer of the Special Warfare Command; and Yi Hui-song, acting director of the Korean Central Intelligence Agency.

Chang Se-tong, himself in the process of being tried for involvement in the Dec. 12, 1979 coup, denied that Special Warfare Commander Chong Ho-yong handed a personal message from Defense Security Commander Chon Tu-hwan to So Chun-yol, commander of the Army Training and Doctrine Command and Kwangju area martial law commander, during his helicopter-flight from Kwangju airport to the Training and Doctrine Command on May 23, 1980.

Prosecution suspects that Chon Tu-hwan's message calling for harsh crackdown was handed to field commander So Chun-yol through Chong Ho-yong.

"Contrary to allegations, Special Warfare Commander Chong Ho-yong was not at the Kwangju airport on that day," Chang said.

Another witness, Yi Sang-kyun, formerly commander of 5th Company, 2nd Battalion, 62nd Regiment of the 20th Division, said he couldn't control soldiers' firing during the "Tolkokae" operations near Kwangju on May 22.

"My company was proceeding toward the integrated military hospital when demonstrators opened fire at us, killing a messenger of our battalion commander, and setting off return fire by enraged soldiers," Yi said.

ROK Editorial Speculates on Reasons for High Interest Rates

SK3107235396 (Internet) The Digital Chosun Ilbo WWW in English 1200 GMT 31 Jul 96

[Editorial: "Interest Rates Too High"]

[FBIS Transcribed Text] As interest rates continue to rise the capital market suffers cardiac arrest. However sudden the increase in temporary demand for capital by businesses and however conservative our financial institutions are in the loan market it is nevertheless surprising that the real interest rates applicable across the whole market continues to surges upwards. Representative of the market interest rate index are company bonds of three year maturity, the applicable coupon interest rates of which currently exceed 12%, the highest rate for six months. Further proof of the seriousness of the unexpected instability in the capital markets is that fact that the inter-bank call capital interest rate has rocketed to 18%.

The instability in the capital markets has prevailed despite the injection of in excess of 3 trillion won by the Bank of Korea. It is possible that, as is asserted by financial authorities, the unusually high interest rates and capital market instability will be a temporary phenomenon. Causes of the present situation may be a sudden and temporary demand for capital in the form of value-added taxes and fears by financial institutions and businesses that the Bank of Korea is intending to tighten its control over the money market. Hence the government says optimistically to allay fears that the instability will be alleviated soon.

However, what is worrying is the excessive short-term rise in interest rates. The fact that interest rates fell below 10% after the Economic Vice-Prime Minister requested the lowering of the interest rates should have meant that we were fully entering a period of low interest rates. However, within three months interest rates had gone over 12%. The fact that interest rates continue to escalate is ample proof that the monetary and interest rate policies of the government which were aimed at keeping interest rates low have gone wide of the target.

There is an urgent need for interest rates to be lowered as they are reflective of our general economic conditions and business climate. Our interest rates are over two times of those prevailing in not only advanced countries such as the US, European nations and Japan, but other competitors including Singapore and Taiwan. This inevitably makes it very difficult for us to compete in international markets. At this time, if interest rates continue to surge it will be impossible for the government to implement the policy it currently promotes, namely the eradication of a high cost, low efficiency system.

The most worrisome thing is that interest rates seem set to stay high for the present time. This is because financial institutions are adhering to their same old method of countering capital market instability by tightly restricting the availability of personal and housing loans and because the capital market will remain unstable for a long time due to exports stagnation and stockpiling. We thus urgently need the government to formulate and apply an epochal reversing policy which will pull down and stabilize interest rates.

ROK Intelligence Influence Over NAEWOE TONGSIN Examined

962C0086A Seoul SISA JOURNAL in Korean 11 Jul 96 pp 50-52

[By reporter Yi Chong-hun]

[FBIS Translated Text] Section 1. **NAEWOE TONGSIN Should Free Itself from NSP Censorship**

NAEWOE TONGSIN is well known as a news agency specializing in North Korean affairs. Recently, the question of making it an independent organization has been raised as a moot issue from time to time, drawing public attention. Independence, in this case, means freeing NAEWOE TONGSIN from the sway of the Agency for National Security Planning [NSP], which controls its budget and administrative affairs. Controversy over the question of NAEWOE TONGSIN's independence was touched off by the contention made by some politicians (in the PRESS CLUB NEWSLETTER) and some media that NAEWOE TONGSIN is a front organization of the NSP. NAEWOE TONGSIN has been refraining from making any response to this charge. When this reporter called the news agency by telephone, officials at its general affairs department said, "it is our established practice that we do not respond to any outside inquiries about our operations."

Originally, the question of NAEWOE TONGSIN cropped up during the 10 October 1994 inspection of the Office of Public Information [kongbocho] by a parliamentary oversight group. At that time Pak Chi-won, then Democratic Party [DP] assemblyman, drew attention by exposing two documents sent to NAEWOE TONGSIN from the NSP—"Plan for Feature Articles on the Presidential Election" and "Information on Control of Press Material." Subsequently, the PRESS CLUB NEWSLETTER carried reports similar to these documents in content on several occasions. In its 27 April issue the Press Club NEWSLETTER said that

"Beginning from two months prior to the 11 April general election, the NSP subjected NAEWOE TONGSIN reports to censorship prior to their release. The Press Club NEWSLETTER said that when newspaper media receive NAEWOE TONGSIN reports, they should use "Seoul-NSP" instead of "Seoul-NAEWOE" in the source line to give credit where the credit is due, contending that NAEWOE TONGSIN is an official mouthpiece of the NSP as far as reports on North Korea are concerned.

Any examination of the question of NAEWOE TONGSIN's independence should begin by asking, "Is NAEWOE TONGSIN really a press agency in the true sense of the words?" The most accurate answer to this question is that it is "not a press medium but a corporate judicial person registered with the Office of Public Information [kongbocho]." According to the Press Club NEWSLETTER, the NSP is fully responsible for providing budgetary support to NAEWOE TONGSIN, and this opens the way for NSP retirees to join the company as its staff members through the revolving door, resulting in the further subjugation of the news agency to NSP.

Total Financial Dependence on NSP

However, inasmuch as NSP officials do not actually work as NAEWOE TONGSIN reporters at the same time, it is hard to conclude that NAEWOE TONGSIN belongs to the NSC. Newly hired NAEWOE TONGSIN reporters go through a peculiar induction ceremony. A considerable number of NAEWOE TONGSIN staffers are NSP retirees, and this entails friction between them and original NAEWOE TONGSIN reporters. A former NAEWOE TONGSIN official said: "in the last 10 years or more, NSP retirees have joined the company in tandem as responsible staff officers, sowing the seeds of discord between these former NSP officials and original reporters. As a result, seven out of the 10 reporters have quit in the past two years alone."

Delicate items among NAEWOE TONGSIN reports about North Korea have been subjected to censorship by the section under the NSP Bureau of Psychological Operations and Information [simni chongbo kuk] handling domestic and foreign press reports, and this is one of the main reasons the question of NAEWOE TONGSIN's independence has become an issue. (Recently, the NSP changed the names of its bureaus to offices in its recent reorganization, but in this article the old bureau names are used.) NAEWOE TONGSIN produces news mainly by monitoring two North Korean radio and television networks, namely, Radio Pyongyang and the Central Broadcasting Station. It is a widely known fact that with regard to North Korea, these two stations disseminate nothing but completely skewed reports in praise of North Korea, but when it comes to matters pertaining to South Korea, they disseminate nothing but fabrications. Recently, North Korean broadcasts have vilified South Korea far more viciously than they used to slander the Fifth and Sixth Republics, despite the fact that tension has been aggravated because of provocations by North Korea. For instance, North Korea slandered President Kim Yong-sam by calling him a "traitor" and a "political prostitute." It even urged, "Bomb the NSP."

These brickbats could suit the taste of the antigovernment elements or dissident activist groups in South Korea to a T. Inversely, North Korea may be pouring out venom against South Korea as part of its psychological warfare operations, hoping for precisely that effect. Said a NAEWOE TONGSIN source: "When North Korea releases this kind of report, NAEWOE TONGSIN faxes the monitored report to the NSP for censorship. The NAEWOE TONGSIN section of the NSP expunges the portions slandering President Kim and the NSP and returns the expurgated version to NAEWOE TONGSIN." Exponents of NAEWOE TONGSIN's independence say, "Censorship like that is what is reducing NAEWOE TONGSIN to the status of an appendage to the NSP. Each time an election was held, the NSP stirred up controversy by making an issue out of North Korea by using NAEWOE TONGSIN, and this gave rise to misunderstanding [about the status of NAEWOE TONGSIN]."

A former NAEWOE TONGSIN official said that the NSP began to enforce censorship because North Korea broadcasts false reports all the time. According to him, the NAEWOE TONGSIN staff did not make its own judgment as to the veracity of North Korea broadcasts, but rather asked the NSP to make the judgment; that is why NAEWOE TONGSIN has relegated itself to the status of an appendage to the NSP. He said: "Behind this is the easy-going bureaucratic thought of NSP retirees now working as NAEWOE TONGSIN staffers that if the content of a report should become an object of controversy after it was submitted to NSP censorship, NAEWOE TONGSIN would find a way out of the trouble."

Besides NAEWOE TONGSIN's inability to make its own judgment on North Korea-generated news, another important reason the question of the news agency's independence has become an issue is that it distributes news material free of charge. Currently, NAEWOE TONGSIN compiles news on North Korea and distributes it to newspaper companies by fax twice daily and delivers it by motor vehicle into the bargain, all free of charge. It also publishs weekly editions by adding commentaries to daily news reports. They are also delivered to newspaper companies by motor vehicle. In addition, it publishes English material and ships it overseas by diplomatic mailbag.

No one can confidently explain why NAEWOE TONGSIN distributes its news products free of charge. Nevertheless, many agree that NAEWOE TONGSIN reports are evaluated low because they are distributed free of charge. Its officials complain that when a foreign newspaper carries a particular report on North Korea, the South Korean press gives it prominence with quotations, but when a similar report is carried by NAEWOE TONGSIN, it is treated as a news brief. NAEWOE TONGSIN is 100 percent dependent on the NSP because of the fact that it distributes news free of charge.

Left Out in the Cold

According to an anonymous source, the problem is that NAEWOE TONGSIN monitors nothing but North Korean radio broadcasts. He said: "It is the NSP that monitors and records North Korean television programs. The NSP sends recorded tapes to the Korean Broadcasting System (KBS) and the Munhwa Broadcasting Corporation (MBC) to use them in their "Windows on the North and South" and "Unification Observation Platform" programs. The NSP directly takes charge of video tapes, letting NAEWOE TONGSIN release insipid audio materials only." The same source also said: "When there is a major incident involving North Korea as in the case of North Korean Air Force Captain Yi Chol-su's defection to the South by flying a MiG jet, the NSP directly handles the public relations aspect related to it. When releasing minor information, the NSP uses NAEWOE TONGSIN just like its own public information office, whereas when it comes to handling major information, it leaves the news agency out in the cold. The same source asks, Then what is the point of the NSP's having NAEWOE TONGSIN as a separate entity?

The number of NAEWOE TONGSIN personnel is about 50. Of these, slightly over 10 ordinary reporters and 20 or more monitors of North Korean broadcasts make up the backbone of NAEWOE TONGSIN's operating staffs. In the case of its editorial bureau, it is often pointed out that the number of senior officials with ranks equivalent to or higher than that of deputy director is almost the same as the number of ordinary reporters, with the result that its operational efficiency is very low. Some NAEWOE TONGSIN sources pointed out that the practice of delivering its news to newspaper companies by motor vehicle after sending them by fax is symbolic of the easy-going attitude of NAEWOE TONGSIN. Criticizing the NAEWOE TONGSIN staff, one of these sources said: "There is not a single person in the staff who does not feel that something is wrong with the organization and operations of the company. But they just shut their eyes to the problems, intending to keep things quiet as long as they stay. This atmosphere is making NAEWOE TONGSIN an appendage to the NSP all the more."

The fact that newspaper companies have their own North Korea departments or units covering North Korean affairs poses a major threat to the existence of NAEWOE TONGSIN. In fact, some NAEWOE TONGSIN reporters found jobs in major newspaper companies as reporters specializing in coverage of North Korean affairs.

To the NSP, NAEWOE TONGSIN is something which it hates to give up even though it is of little value. Currently, however, the number of people and organizations thirsty for information concerning North Korea is increasing so sharply that the NSP cannot let NAEWOE TONGSIN remain a white elephant. As things stand now, it is difficult for NAEWOE TONGSIN to establish itself as a news agency specializing in news coverage of North Korea affairs. For this reason, several options for the future of NAEWOE TONGSIN have been suggested, including: —That it should be reorganized as a specialized news agency that charges subscription fees for its news products, for the purpose of improving its operational efficiency; —That in consideration of its peculiarity as an organization handling news about North Korea, it should be merged into the National Assembly Intelligence Committee or YONHAP TONGSIN as a unit specializing in information on North Korea so that it may reduce its dependence on the NSP to a certain degree.

Closed Induction Ceremony

Because NAEWOE TONGSIN needs to maintain a certain level of secrecy, it administers an oath to new employees at a peculiar ceremony. Until recently, induction ceremonies took place in the basement of the NSP building in Namsan, Seoul. One who attended one such a ceremony described it as follows:

"The basement looked like a large gymnasium. There was a dim light only at the front part of the dark room. Entering the room, I felt there seemed to be no indication that people were inside. Only a voice speaking through a microphone said, "Please repeat after me." Those present at the induction ceremony pledged, by repeating after the voice on the microphone, that they would be security-conscious to the utmost. That was the whole procedure of the ceremony. The person speaking through the microphone was completely invisible, but I thought that the speaker must be looking at me intently. I was tense, probably because of the atmosphere of the ceremony. I thought that the whole purpose of the induction ceremony was to heighten the security consciousness of the inductees through a unique experience which they would never forget as long as they lived.

Persons quitting NAEWOE TONGSIN are required to present a written note to the NSP director pledging not to divulge any secret they have come across during their service with NAEWOE TONGSIN.

Section 2. **Genesis as Institute for Monitoring North Korean Broadcasts**

NAEWOE TONGSIN is treating its internal affairs as a matter of secrecy. Even its former employees lack an accurate knowledge of its history. That is why there is no other way but to collect information from many in order to obtain even a rough sketch of its history.

The genesis of NAEWOE TONGSIN is closely related to the 16 May 1961 coup d'etat staged by then Major General Pak Chong-hui. The Supreme Council for National Reconstruction established after the successful coup found it necessary to establish an international broadcasting service for listeners overseas and a specialized news medium for monitoring North Korean broadcasts and handling news about North Korea. Acting on this judgment, the Council organized the Research Institute for Domestic and Foreign Affairs [RIDFA] headed by Kim Chang-sun. That is the genesis of NAEWOE TONGSIN.

The office of the RIDFA was located at the Anguk-tong Rotary in Seoul. (The building was subsequently used as the office of the New Democratic Party.) The building housed the preparatory committee for establishment of the Freedom Center under Choe Kyu-ha, who later became president, on the first floor, and NAEWOE TONGSIN on the second floor. The monitoring room for listening to North Korean broadcasts was located on the top floor of the dome-shaped Capitol Building (the former Office of the Governor-General of Korea) in Seoul. The monitoring team consisting of three members monitored programs of Radio Pyongyang and the Central Broadcasting Station daily in three shifts. The newly established Central Intelligence Agency [KCIA] in those days did not monitor North Korean broadcasts. That is why NAEWOE TONGSIN is said to have enjoyed high prestige as the sole establishment monitoring North Korean broadcasts.

Shortly afterward, Han Chae-tok was installed as the head of the RIDFA succeeding Kim Chang-sun, and subsequently Yi Ki-kon became its third director. In the early 1970's when Yi Hu-rak was KCIA director, Yi Ki-kon was removed from the RIDFA as its head and RIDFA was renamed NAEWOE TONGSIN, which was registered with the Office of Information as a corporation. NAEWOE TONGSIN set up its office at the present location in Chuja-tong, Chung-ku, Seoul, and Kim Tae-so became its first chief director. In the late 1970's Kim Chang-sun was reinstated as its chief director.

Kim Chang-sun is credited for having developed NAEWOE TONGSIN, which was nothing more than a satellite organization of the KCIA, into a full-fledged news agency. Said a person who worked for NAEWOE TONGSIN in those days: "In the days of Chief Director Kim Chang-sun, NAEWOE TONGSIN had full accreditation (Seoul-NAEWOE) just as AP and AFP did. In those days, as is the case now, the government had the right to control the administrative and personnel management of NAEWOE TONGSIN. But Chief Director Kim had officials of daily news and broadcasting companies with a rank equivalent to that of editor in chief join NAEWOE TONGSIN as members of its board of directors so that his news agency might operate in an independent way. As a result, KCIA censorship of NAEWOE TONGSIN news articles markedly decreased and an atmosphere was created in which the staff edited news in a responsible manner."

When the new military regime took measures to control the press in the 1980's, YONHAP TONGSIN was created by merging TONGYANG TONGSIN and HAPTONG TONGSIN. In those days, the majority of NAEWOE TONGSIN reporters demanded that their news agency also participate in the merger. But Kim Chang-sun objected to that demand, contending that NAEWOE TONGSIN should remain as it was because it was a special new agency specializing in coverage of information about North Korea. As a result, NAEWOE TONGSIN managed to keep away from the turmoil created by the government's moves to abolish or merge news media.

After Kim Chang-sun left NAEWOE TONGSIN as its head in the late 1980's, retired high-ranking NSP officials began to join NAEWOE TONGSIN as staffers. As a result, the pace of its efforts to develop NAEWOE TONGSIN as an organization of its own specializing in North Korean affairs has slowed down markedly.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Austria's Vranitzky, Mahathir Discuss Foreign Policy

AU0108093396 Vienna WIENER ZEITUNG in German 1 Aug 96 p 1

[Unattributed report: "Vranitzky Criticizes U.S. Pressure"]

[FBIS Translated Text] Kuala Lumpur — According to Chancellor Franz Vranitzky, Austria will not yield to U.S. pressure and consider countries like Cuba, Libya, and Iran "enemies." "We will not let ourselves be forced to do something that is not in line with our foreign policy," the Austrian chief of government said in Kuala Lumpur on 31 July, the second day of his four-day visit to Malaysia.

The chancellor rejected the right, claimed by the United States in the sphere of the terrorism debate, to punish European firms for doing business with Cuba and Iran, because these countries are boycotted by the United States.

Vranitzky has also proposed that at the coming conference of the World Trade Organization (WTO) in Singapore in December as well as at the preparatory meeting in Dublin in November, human rights problems such as working conditions and social standards should be openly discussed.

However, this should not be by way of confrontation between individual countries, but by way of narrowing differences step by step, Vranitzky stressed to Austrian journalists during his official visit to Malaysia on 31 July.

Vranitzky also discussed these problems with Malaysian Prime Minister Mohamed Mahathir, and according to the chancellor, Mahathir did not consider this topic taboo.

Vranitzky commented positively on Malaysia's commitment in the creation, planned for November, of a nuclear-free zone of the Southeast Asian community of states, ASEAN, in which Australia and New Zealand could also take part. Following talks with Malaysian Prime Minister Mohamed Mahathir, Vranitzky said Mahathir was considering the open problems regarding the nuclear-free zone as soluble. The Malaysian prime minister would carry special weight on this matter, because he would chair the 51st UN General Assembly meeting.

What is above all open is the question whether all big powers will recognize the declaration of such a zone. China in particular insists on free passage for its ships in the region.

Malaysia: Ranariddh Gives Advice on Investing in Cambodia

BK0108092296 Kuala Lumpur THE STAR in English 1 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Cambodia's First Prime Minister Prince Norodom Ranariddh has advised Malaysian investors to avoid going through intermediaries to get things done.

Businessmen should identify which was "the right door" instead of using intermediaries, which cost them time and money, he said in an interview.

He said his government had done its part in reducing bureaucracy to eradicate corruption. In 1994, the government set up the one- stop Council for the Development of Cambodia to process investors' applications.

Ranariddh said he had on his part refused to see investors who requested to meet him, and asked them to go through "the proper system."

He also called on investors to forge smart partnerships with their Cambodian counterparts and develop mutual respect.

Ranariddh said the difficulties experienced by investors in Cambodia did not emanate from "just one side," and admitted that "sometimes we are responsible for some of the difficulties."

He said his country did not have serious problems with Malaysian investors, adding projects sometimes took time to implement, probably in reference to the Malaysian projects held up until recently.

Malaysia is the biggest investor in Cambodia, Ariston Sdn Bhd [private company] is developing the massive Sihanoukville tourist project, and Pochentong airport via a trilateral joint venture while YTL [Yeo Teong Lay] Corporation is developing a light and sound facility at the famed Angkor Wat.

Malaysia: Ranariddh Speaks on Problems With Western Media

BK0108033596 Kuala Lumpur Voice of Malaysia in English 0800 GMT 31 96

[FBIS Transcribed Text] Cambodian First Prime Minister Prince Norodom Ranariddh says both he and second Prime Minister Hun Sen will not resort to the use of force to resolve the political problems. The problems were not as serious as portrayed by the Western media.

He adds the Westerners have never ceased to give us a lesson on democracy when we have differences in ideas due to the pluralistic nature of our people, which the Western media will play them up. He assures that there is nothing very serious in Cambodia.

He said this in an interview with journalists in the island resort of Langkawi. Ranarridh, who is in Langkawi attending the Second International Dialogue, said his problems with Hun Sen were largely due to the contrasting styles brought about by difference in cultural background.

According to Western media reports, Ranariddh recently threatened to pull his FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party out of the Royal Cambodian Government after accusing the Cambodian People's Party, headed by Hun Sen, of an unequal power sharing at the district and provincial level.

Malaysia: Namibia's Nujoma on Malaysian Investment

MB3107164396 Johannesburg Channel Africa Radio in English 1500 GMT 31 Jul 96

[FBIS Transcribed Text] President Sam Nujoma of Namibia says Malaysian companies are planning large investments in infrastructure, mining, and banking in his country. Addressing a news conference on Malaysia's northern resort island of Langkawi, Mr. Nujoma said Malaysia would also send specialists and experts to Namibia to help it implement its development plans.

He is attending a meeting known as the International Dialogue for Smart Partnership on the island. The forum is seeking to promote relations between the public and private sectors to raise money for development projects. About 250 political leaders, government officials, and business executives from around the world are attending the meeting.

Malaysia: Botswana's President Encourages Malaysian Investors

MB3107180196 Gaborone Radio Botswana Network in English 1610 GMT 31 Jul 96

[FBIS Transcribed Text] The president, Sir Ketumile Masire, says foreign investors should not judge Botswana by its small population, because, by investing in Botswana, they would have invested in a politically stable country with attractive tax packages and financial incentives. He told a news conference in Langkawi, Malaysia, that Botswana is centrally located and its involvement in the region would open investors to a population of 130 million of the SADC [Southern African Development Community] region.

Sir Ketumile has been in Malaysia for a state visit and attended a conference of business and political leaders from the Commonwealth. He said the government was discussing with Malaysian consortiums to bring a (?contingent) of Malaysian investors, to invest in an export processing zone in Botswana, but he did not elaborate on the project.

Cambodia

Cambodia: Hun Sen: Pol Pot Alive, Attending Meeting in Northwest

BK0108105896 Hong Kong AFP in English 1034 GMT 1 Aug 96

[FBIS Transcribed Text] PHNOM PENH, Aug 1 (AFP)- Cambodia's Second Prime Minister Hun Sen Thursday said he had information suggesting that Khmer Rouge leader Pol Pot was alive and taking part in a meeting in northwestern Cambodia.

"Last night I received information about the whereabouts of Pol Pot ... Yesterday (the Khmer Rouge leadership) entered Pailin and they probably are having a working meeting (Thursday) morning," Hun Sen said in a speech broadcast on the Cambodian People's Party (CPP) radio.

Hun Sen has consistently denied that Pol Pot, the infamous leader of the Khmer Rouge is dead. "Pol Pot has not died yet," he said.

In early June, AFP, citing a Khmer Rouge commander on the Thai— Cambodia border, reported that the 68-year-old guerrilla leader had succumbed to malaria. The commander's comments fit with Cambodian intelligence reports from the same time which indicated that Pol Pot was seriously ill.

However, Hun Sen conceded that if Pol Pot were dead, "only he himself is dead. But their military organization is still remaining."

The second prime minister alleged that Pol Pot continued to influence those who sought to "destroy the political stability of the Royal government" and those who claimed Pol Pot was dead were political opportunists seeking a negotiated settlement with the outlawed rebel group.

Cambodia: Ranariddh Discusses Investment 'Problems' With China

BK0108094796 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 31 Jul 96 p 2

[Report by Dararrit]

[FBIS Translated Text] Samdech Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia [RGC], has appealed to foreign and local investors not to go through lobbyists, but instead to contact the two Cambodian prime ministers, or go directly to the Council for the Development of Cambodia [CDC], which is the sole place in charge of investment.

The samdech krompreah was speaking with Madame Shou Jiahua, Chinese deputy minister of Geology and Mineral Resources, who called on him at his residence on 28 July 1996.

The samdech krompreah said: Cambodia's atmosphere is now favorable for investors. China is an important investment partner of Cambodia, therefore, China should encourage more investors to come to Cambodia. The RGC will always welcome them.

The prince added: These Chinese investors should contact the RGC directly. They should not go through lobbyists, as this always causes problems between investors and the RGC. Problems were caused by the fact that Chinese investors were contacting Cambodian lobbyists. They were deceived by these lobbyists, their work could not proceed, and the government had to take back the factories from them. This has caused discord between the two governments.

It should be noted that there was a problem when the Ministry of Industry, Mines and Energy revoked the Chakrei Ting cement factory from the Cambodian Cement Company, which is China's joint venture, and turned it over to a Swiss investment company. The Chinese company, which has a share in that cement company did not approve of this and now this matter has become a problem between governments. China has said that bilateral relations between China and Cambodia would be hampered should the RGC discontinue the agreement the Chakrei Ting cement factory has with the Cambodian Cement Company and turn it over to the Swiss company.

It should also be noted that the Ministry of Industry, Mines and Energy leased the Chakrei Ting cement factory to the Cambodian Cement Company, of which Oknha Sou Srun is president. It has been a joint venture with the Chinese Guangdong Engineering Industries since April 1992. On 10 May of this year, the Ministry of Industry, Mines and Energy — on the order of Industry Minister Pu Sothirak — decided to secretly transfer this factory to a Swiss company Naga Cement 4TD, which is a branch of Switzerland's Holder- bank Group. This transfer has caused great loss to the Chinese company, and Chinese diplomatic officials have responded.

The samdech krompreah did not mention this Chinese company by name; he only said that it was the fault of the Chinese companies that contacted Cambodian lobbyists and who were cheated by them.

Madame Shou Jiahua said that she accepted Samdech Krompreah Norodom Ranariddh's suggestion and that she would encourage more Chinese investors to come to Cambodia. She added that her delegation came to Cambodia to study and assess prospects for investment in mineral resources' exploration. She would also seek better cooperation between the Cambodian Industry Ministry and China's Ministry of Geology and Mineral Resources in mineral resources' exploration in Cambodia.

Indonesia

Indonesia: Trade Union Leader Held Under Subversion Act

BK0108111096 Hong Kong AFP in English 1105 GMT 1 Aug 96

[FBIS Transcribed Text] JAKARTA, Aug 1 (AFP) — The leader of an independent Indonesian trade union arrested here Tuesday is being held under the National Subversion Act, violation of which can lead to the death penalty, his lawyer told AFP Thursday.

"The public prosecutor has now applied the Subversion Act to Mokhtar Pakpahan and they began interrogating him today at 5:00 p.m. (1000 GMT)," Luhut Pangaribuan said.

"The act means that the public prosecutor could detain him for up to one year without a trial," Pangaribuan said.

Officers from the attorney general's department arrested Pakpahan, leader of the Indonesian Prosperity Trade Union (SBSI), late Tuesday at his home in East Jakarta.

Pakpahan's warrant, a copy of which was obtained by AFP on Wednesday, said he was arrested under six legal instruments, including the National Subversion Act.

It is unclear whether charges have been formally filed.

"Pakpahan has refused since Tuesday to sign the dossiers for his arrest," Pangaribuan said.

Pangaribuan said although he was concerned for the safety of Pakpahan, he was currently in good condition and being given food and water.

Pakpahan's team of three lawyers from the Legal Aid Institue are due to meet him Friday.

The arrest followed heavy rioting in Jakarta at the weekend in which three people were killed, according to a known death toll.

The Indonesian authorities, in move that ran parallel with Pakpahan's arrest, announced that troops had been ordered to shoot rioters on sight.

Indonesia: Armed Forces Blame PRD for Clashes

BK0108062296 Sydney THE SYDNEY MORNING HERALD in English 1 Aug 96

[Article by Louise Williams in Jakarta: "Military Pressure on Megawati" — received via Internet]

[FBIS Transcribed Text] The Indonesian Armed Forces (ABRI) say they will shortly arrest the leaders of an illegal Communist-style organisation which they blame for last weekend's violent clashes between antigovernment protesters and soldiers and police.

They also claim an investigation into the riots may implicate the pro-democracy leader, Ms. Megawati Sukarnoputri.

A prominent labour leader was yesterday detained for questioning and police also said they intended to question Ms. Megawati and five of her supporters.

ABRI has warned against any further protest attempts, saying sharpshooters have been deployed around the city with permission to shoot if faced with any further provocations.

"Don't try us again," said the ABRI Chief of Sociopolitical Affairs, Lieutenant General Syarwan Hamid. "The order to shoot on the spot will be given if they renew their efforts to disrupt peace and order at the expense of the general interest of the public."

General Syarwan said the underground People's Democratic Party (PRD), a small left-wing alliance of labour, farmer, student and artist groups, was behind the torching of more than 30 buildings in downtown Jakarta over the weekend and that its members had deliberately provoked soldiers and police.

He said Ms. Megawati's Partai Demokrasi Indonesia (PDI) had no structural links with the "Communist-style" PRD, but there were "correlations" between the disturbances and her role in the events which led to the worst political unrest in decades.

Ahead of the raid by soldiers and police on the PDI's headquarters early on Saturday morning, Ms. Megawati defied government directions to stop free speech forums at the PDI office.

The building had been occupied by her supporters since a government-backed Congress ousted her from the party leadership more than a month earlier.

"Whether Megawati is responsible will depend on the investigation; right now I just see that there are correlations," General Syarwan told a press briefing yesterday.

"The free speech forum was held at the PDI headquarters. It was held with her knowledge and she was one of the speakers."

He also said the labour leader, Mr. Mokhtar Pakpahan, who was detained on Tuesday night, had been one of the speakers at the daily forums.

General Syarwan said the armed forces had come to the conclusion that the PRD was responsible for the rioting and intended to overthrow the government of President Suharto.

He likened the PRD to the banned Communist Party of Indonesia (PKI) which was blamed for an aborted coup in 1965 which lead to massive communal violence and resulted in a reported 500,000 deaths.

"We have experience with these Communists," he said. "The PRD is a party based on mass movements and is progressive and revolutionary in character.

"We believe in a short time the leaders will be caught and brought to court."

He said the PRD followed the same pattern as the PKI, forming an "embryo of subversion, opening up a free forum to express their ideas and then trying to influence groups such as workers, labourers and students".

He said the PRD was only a very small organisation contained in Jakarta and several major centres such as Surabaya and Bandung.

General Syarwan said he could understand that Indonesians born after 1965 did not realise the danger of Communism.

"We come to this dilemma," he said. "We try to remind the people of the danger of the PKI and we risk being suspected of trying to hinder progress in the progress of democracy."

Critics of the armed forces believe the Communist threat is being revived to promote the role of the military as essential in maintaining national stability, and counter pressures for an opening up of the political process. "The events of the past few weeks have set back the moves towards a more democratic system," said one Western diplomat.

Troops continued to patrol the streets of Jakarta but no new incidents were reported. However, Ms. Megawati's faction of the PDI is due to appear in court today to pursue its legal challenge against the Government-backed candidate who overthrew her from the party leadership, Mr. Suryadi.

In previous court appearances hundreds of PDI supporters have packed the streets around the courts and today's case is expected to provide the first test of tough security measures in the Indonesian capital.

Thailand

Thailand: Double Taxation Problem With U.S. Viewed

BK0108095296 Bangkok THE NATION in English 1 Aug 96 p A4

[Article by Chirawat Na Thalang, Wichit Chaitrong: "Double Tax and Double Trouble"]

[FBIS Transcribed Text] The United States hopes to overcome the "jinx" of the double taxation treaty with Thailand by having President Bill Clinton sign the agreement with Prime Minister Banhan Silapa-acha during his trip to the Far East this year.

After 14 years of talks, which have been stalled several times, American officials hope that the last round of negotiations on the double taxation treaty will be concluded this year. Clinton is scheduled to attend the Asia-Pacific Economic Cooperation leadership conference in Subic, Philippines in November and there is a strong possibility Bangkok could be included in his itinerary.

American officials and business executives think that the prospect of having the U.S. president visit Bangkok will be significantly enhanced if the tax treaty is ready to be signed.

"For us, the priority is the bilateral tax treaty. Beside being symbolic, it is also important for business. We hope the treaty will benefit small and medium-sized investments," says Ernest Bower, president of the U.S.-ASEAN Council of Business and Technology.

The tax treaty makes double taxation, or a levying of tax on the same revenue by two governments, obsolete. Thailand has signed double taxation treaties with 26 countries, but each differ in substance and depend on the bilateral negotiations.

Clinton administration officials wish to hold the next round of the tax treaty negotiations with their Thai counterparts in September or October either in Bangkok or Washington.

From the U.S. point of view, a series of unfortunate events there have hampered the progress of the talks. A partial federal shutdown in November last year due to the budget deadlock in Congress led to the talks being cancelled abruptly.

Another federal shutdown just before Christmas also affected preparations for the tax treaty negotiations with Thailand. Recently, a fire at the U.S. Treasury Department's building broke out, damaging the tax office and leading to the loss of other important documents.

Nonetheless, a senior American official who requested anonymity said, "We have made a lot of progress on the tax treaty."

According to Bower, the council and the American Chamber of Commerce in Thailand recently wrote to the Thai Finance Ministry, asking that the talks be sped up so that the tax treaty will be ready before the end of the year.

Still, it is not going to be easy. The bilateral negotiations on this last major hurdle in improving Thai-U.S. economic relations is expected to be one of the longest. For one thing, it took Thailand six years to strike a similar deal with Japan. And after all, the mother of all trade negotiations, the Uruguay Round of multilateral trade talks, took seven years to complete.

When the double taxation negotiations started in 1982, tax sparing and the withholding tax for maritime transport were the contentious issues. More than 10 years later, the so-called information sharing system — or how both sides demand and gather information from taxpayers — has emerged as the main stumbling block.

Thai officials, however, claimed that the U.S. had not been enthusiastic in trying to cut a deal. The reason is that at that time intellectual property protection featured controversially in the bilateral talks.

But when the U.S. administration was about to remove Thailand from the trade sanction watchlist in 1994, the double taxation treaty issue came up again. Some Thai officials then viewed it as an attempt by the U.S. to make the most of its tax collection system. The money collected by Americans who were supposed to pay more taxes would generate a large sum of additional money, they said. This appeared to have coincided with the budget constraints of the U.S. government.

Thailand did not respond to Washington's request to restart another round of tax talks. A year later, officials at the U.S. embassy asked the U.S. Treasury Department to send another letter to Thailand to initiate the resumption of talks.

But the Thai side was reluctant to do so. "Eleven months later, we got a very short, two-page note from the Thai government. It stated flatly that there would be no discussions until November," an official said.

Not until 6 March did the American side begin to revive behind- the-scenes talks.

Believe it or not, the fire at the Department of Treasury building started exactly on the roof of the tax office," a U.S. official said. The staff working in that building were not allowed to go into their offices, leading to the suspension of correspondence for a certain period.

Originally, tax sparing was the contentious issue since Thai officials have been arguing all along that Thailand would lose investment incentives given to American investors if it caved in to the U.S. tax sparing request. Now an American investor can enjoy tax credit privileges when he/she remits profits back home.

However, as based on conditions proposed by the U.S., an American investor who receives privileges from the Board of Investment (BoI) would have to pay taxes in the U.S. if he remits profits back there before the BoI tax holiday period ends in five years.

Washington's argument is that tax sparing would encourage investors to keep their profits in Thailand for retinvestment. But Thai officials said the tax sparing clause will make the incentives given by the BoI obsolete.

The American official said that if the Thai-U.S. double taxation treaty still contains such a privilege, "Nobody in Congress is going to buy it. There is no way it will be passed in Washington. It is impossible and inconceivable," the official said.

Nonetheless, the official added that tax sparing was not the most difficult issue at the moment.

Thai officials also share the same view that the treaty's contentious issue centres on the information sharing system, which will provide American authorities access to information on U.S. corporations doing business in Thailand, and vice versa.

"A year ago, it was less than a case than it is now," the American official added.

He noted that, "In fact, what we said to Thai officials is that we would not ask Thailand to provide any information that is not covered under the existing law. Your tax negotiators, however, did not want to go even that far."

For example, U.S. authorities have requested access to information governing pricing transfer among American companies so as to avoid the problem of overinvoicing from the internal transfer of goods. "It is the way parent companies move around tax jurisdiction laws in order to pay less taxes than they are supposed to," he said.

A Thai official, however, said that Thailand might have difficulty yielding to the U.S. demand at this point. For example, the Thai tax appraisal system is different from that of the U.S. To harmonize tax collection standards, some regulations and some tax rules need to be changed. After all, Thai officials said, the tax collection philosophy between Thailand and the U.S. are different.

Thailand will collect taxes from all permanent residents in the country, no matter what their citizenship is. However, the U.S. will collect taxes from all American citizens no matter where they live.

"They [Thai officials] don't feel that they have authority to move on with this issue," the American official said. "That's why we have politicians pondering whether the rules need to be changed," he said.

Former deputy prime minister Suphachai Phanitchphak cautioned that if Thailand gives in to Washington's demands the country may unintentionally set new standards for the double taxation treaty.

Eventually, Thailand may have to treat other countries in the same way that it treats the U.S. in order to comply with the World Trade Organization's (WTO) requirements on non-discrimination, or to be able to get Most Favored Nation status.

The Japanese, for instance, are likely to ask for more if they feel that their agreement is uneven with the one that Thailand has with the U.S., he said.

The American official said the double taxation treaty has been coming up often during meetings between Thai and U.S. officials.

Clinton raised the double taxation treaty with Banhan when they met briefly at the United Nations a year ago. During U.S. Commerce Secretary Mickey Kantor's visit to Bangkok recently, he raised the tax treaty issue with every minister he met.

"There is political pressure behind this. It is agreed that we have to get this off the table," the American official said.

"Frankly, nothing has been done for so long. It would be too embarrassing for the two governments if they can't come up with any agreement. After 15 years of talks without any progress, if there is no agreement people will say that something is wrong," the American official asserted.

Whether something is wrong or not will be decided between now and November. For American officials, there is hope that Clinton, who decided not to attend the Osaka summit last year because of the budget deadlock with the Republican-controlled Congress, will make it to the APEC summit this year. If he fails to show up, then it could mean that the tax treaty is really a jinx.

At the same time, how can the U.S. officials be certain that Banhan will still be around in November?

Thailand: EU Urged To Consider Rural Poor in Making GSP Cut

BK0108062696 Bangkok BANGKOK POST in English 1 Aug 96 p 2 Business

[Report by Somphon Thapphanachai and Nutsara Sawatsawang]

[FBIS Transcribed Text] Deputy PM [Prime Minister] Amnuai Wirawan put a new Thai compromise position to EU Commissioner Manuel Marin yesterday as officials prepared for new talks in September. One proposal is for five products to be given lower duties within quotas. Mr. Marin was in Bangkok to open a new European Business Information Centre.

The European Union is willing to negotiate with Thailand over its controversial new tariff concessions programme, Deputy Prime Minister Amnuai Wirawan said yesterday after meeting an EU Commission vice president.

Dr. Amnuai said he conveyed to Manuel Marin, who is also EU Commissioner responsible for relations with most of the developing world, Thailand's latest three-point proposal for solving the dispute between the two countries.

Mr. Marin is in Bangkok to open a new European Business Information Centre set up by the EU Commission to serve Thai and European companies.

Speaking to reporters yesterday evening, he acknowledged that there was a "real problem" for Thailand and said talks between the Thailand the EU aimed to reduce the impact.

Some Thai ministers and officials have insisted that the new programme discriminates against Thailand and said they would complain to the World Trade Organisation, but Mr. Marin said the tariff concessions were the sole responsibility of the EU and had nothing to do with the WTO.

Officials from the two sides will hold another round of negotiations in Brussels in September.

Thailand has complained that the EU's revised Generalised System of Preferences (GSP) programme will raise import duties on a number of important Thai exports. Many of these are agricultural, and Dr. Amnuai said he told Mr. Marin yesterday that the EU should take rural poverty in Thailand into account.

"The EU's measures will have a considerable impact on Thailand because agriculture is a very sensitive sector with many poor people," Dr. Amnuai told reporters afterwards. "Therefore, Thailand's agricultural products still need EU support."

The rich countries grant duty reductions or exemptions under GSP programmes so that developing countries can gain access to their markets. The European Union's new programme has a sliding scale of customs duty reductions based on the degree of development of the exporting country and on how sensitive the products are for European producers.

As a result, many Thai exports will be charged full duty rates or only be granted partial reductions.

Mr. Marin said this was because Thailand is no longer as poor as it used to be.

Commerce Minister Chuchip Hansawat said yesterday his ministry had narrowed its objectives in negotiations with the EU down to three points:

— For five categories of exports to enjoy the full GSP reduction within a quota, and the higher normal duty rates to be charged on these products once the quota ceiling has been exceeded. The five are: frozen shrimps, canned crab, fish, vegetables and fruit. Thailand faces competition from China, Indonesia, India, South Korea and Singapore in some or all of these, he said.

— For the EU to provide aid to Thailand, especially for developing shrimp breed stock. Thailand sees this as compensation for the raised import duties. (Thai officials said Mr. Marin did not rule out the possibility.)

— For Thailand to be included in "Annex 5", the list of mainly Latin American countries granted full GSP rights — even though they might n??[???&? fully or partially "graduated" from the programme- because they are combating narcotics.

A Commerce Ministry team is to join Foreign Affairs colleagues for next month's negotiations, Mr. Chuchip said.

Thailand: Government Rift 'Widening' Over Military Satellite

BK0108062496 Bangkok THE NATION in English 1 Aug 96 p A1, A2

[Report by Piyanat Siwalo]

[FBIS Transcribed Text] While rifts appear to be widening between Prime Minister Banhan Sinlapa-acha and Defence Minister Chawalit Yongchaiyut over a defence satellite project, Deputy Prime Minister Amnuai Wirawan said yesterday that the project was not urgent.

Amnuai's comments are expected to further infuriate New Aspiration Party [NAP] leader Chawalit, who has vowed not to discuss the project with Banhan anymore, but try to find other possible channels for its acceptance.

Amnuai, who is in charge of economics issues, said that the Bt [Baht] 12.5 billion project would add to the economic problems that are seriously affecting the country.

"In my personal view, the project is not urgent enough to warrant a Cabinet meeting," Amnuai said.

The deputy prime minister was commenting on contradictory statements from Banhan and Chawalit as to whether the Cabinet will consider the project next Tuesday.

Chawalit said over the weekend that the project would be put on the Cabinet agenda for consideration, but Banhan said last Tuesday that the project had not been added.

The NAP leader was apparently dissatisfied with Banhan's statement, but he blamed Cabinet secretary-general Witsanu Khrua- ngam for failing to put the project on the agenda.

However, Witsanu said yesterday that the matter had been passed from him to the prime minister because all government agencies concerned had sent in their opinions on the project.

"I think the prime minister is considering the issue," Witsanu said. "There are now about 30 issues pending a decision from the prime minister before being put before a Cabinet meeting."

Witsanu said that the prime minister still has enough time if he wanted to include the satellite project in Tuesday's meeting.

Supreme Commander Gen. Wirot Saengsanit, meanwhile, said that Chawalit and Banhan should talk directly to each other to iron out their differences over the project.

Earlier, Chawalit had criticised Banhan on several occasions for keeping the satellite project on ice for months after he had asked for permission to go ahead with the issue. Chawalit's criticism often heightened just as the government was set to consider crucial bills or face a no-confidence debate.

The conflict between Chawalit and Banhan was seen as dangerous as far as the government's survival was concerned because the NAP has the second-largest number of MPs [Members of Parliament] in the coalition.

Chawalit yesterday was sarcastic toward Banhan, whom he said failed to understand the project's importance, saying that several military leaders had committed suicide because the Cabinet had waited too long before deciding what it wanted to do.

Chawalit added that if the government will not give its approval, he will see if he could launch the two satellites via Laos or have TV channels 5 and 7 invest in it.

"I don't mind if they are not ready to consider the project yet," Chawalit said, tongue-in-cheek. "I won't discuss the issue with the prime minister because he has nothing to do with the delay (in putting the issue on the Cabinet agenda)."

The NAP leader said that he will not discuss the project with other coalition partners.

"Other people may think the project is not important, but for me it is. Even the private sector will launch a third satellite," Chawalit said, referring to the next ThaiCom satellite.

"If I can't launch them in Thailand, I'll seek Laos' help. If the project is too hard to pass, I'll have Channel 5 and 7 invest in it," he added.

The defence minister insisted that the project could be carried out with only a Bt12.5 billion budget for the launching of two satellites and the setting up of 393 main stations and 200 sub-stations.

Thailand: 'High Level Changes' in Air Force 'Possibility'

BK0108050896 Bangkok BANGKOK POST in English 1 Aug 96 p 13

[Report in "Inside Politics" Column]

[FBIS Transcribed Text] Air Force Chief-of-Staff ACM [Air Chief Marshal] Amon Neaomali and the chief adviser to the, Air Force Commander ACM Samat Sotsathit, are strong contenders for the Air Force's top post when Commander ACM M.R. [Mom Ratchawong — royal title] Siriphong Thongyai retires in October.

"Khun Amon will likely be picked by the Air Force commander as the new commander. However, there is a strong possibility that high level changes might occur when the Air Force finalises its reshuffle list," suggested one Air Force insider.

Since assuming the top Air Force position in late 1993, ACM Siriphong has had close ties with ACM Amon and has placed him in charge of several key Air Force projects.

During the annual military reshuffle in late 1994, ACM Siriphong named ACM Amon air force chief-of-staff, replacing ACM Kriangkrai Sinthuwanon who was moved to the assistant air force commander post.

ACM Amon is a former graduate of Class 5 of the Royal Thai Air Force Academy, while ACM Samat, who was moved to his present post by ACM Siriphong last year, is from Class 3.

Both officers will retire next year.

Several military observers share the opinion that the close ties between ACM Samat and former air force commander ACM Kaset Rochananin, a leading member of the now defunct National Peace Keeping Council [NPKC], contributed to the decision to bar ACM Samat from holding a key post in the Air Force after the 1992 Black May incident, when prodemocracy protesters were brutally suppressed by security forces controlled by the NPKC.

ACM Samat was air force chief-of-staff and ACM Kaset was air force commander during May 1992. After the incident, ACM Kaset was moved to an inactive post at the Defence Ministry.

It should also be noted that during the military reshuffle in late 1993, then air force deputy commander ACM Suthep Thepharak, who is considered a protege of ACM Kaset and was once tipped to become air force commander, was also moved to an inactive post.

The Chuan Likphai government instead chose ACM Siriphong as commander.

"If ACM Siriphong decides to name ACM Amon as his successor, Gen. Wirot will certainly change the proposed list. He is likely to throw his support behind ACM Samat," noted one insider, a Siriphong loyalist.

Supreme Commander Gen. Wirot Saengsanit is authorised to alter the reshuffle lists submitted by each branch of the Armed Forces. The general is a former NPKC member and classmate of ACM Kaset. Both were members of Class 5 at Chunlachomklao Military Academy which was led by former army commander and former premier Gen. Suchinda Khraprayun.

The outgoing supreme commander, who was moved to an inactive post at the Defence Ministry after the Bloody May incident, has close ties to Prime Minister Banhan Sinlapa-acha; the Premier's support played a crucial role in Gen. Wirot's promotion to the supreme commander position.

There is much speculation that Mr. Banhan might ask the Supreme Commander to take a political post after his retirement in October.

Thailand: 'Struggle' Over Military Reshuffle Intensifies

BK0108050496 Bangkok BANGKOK POST in English 1 Aug 96 p 4

[Unattributed report]

[FBIS Transcribed Text] A power struggle between the Supreme Commander and the three armed forces chiefs has intensified as the annual military reshuffle draws near.

Supreme Commander Wirot Saengsanit yesterday insisted he had full authority to decide on the final reshuffle lists of the Army, Navy and Air Force.

"Am I their boss? If yes, then I have the right to work on the lists," Gen. Wirot said.

He said he could not just act as a rubber stamp — approving every name that appears on the lists.

Earlier, there were reports that Gen. Wirot supports Supreme Command Chief-of-Staff Mongkhon Amphonphisit to replace Army Chief Pramon Phalasin, who is due to retire in September.

Gen. Pramon, however, wants his deputy, Chettha Thanacharo, as his successor, according to the reports.

But Gen. Wirot said yesterday it was possible for a Supreme Command officer to be appointed army chief.

The general said he could not be accused of trying to interfere with the reshuffle lists since he was the top military commander with the power to screen them..

But Gen. Wirot assured he would put the qualifications and abilities of candidates for top military posts before his personal affection for any particular person when he made decisions regarding promotions.

The general stressed there had been no conflict stemming from the reshuffle and pledged to promote the most suitable officers to the top ranks because "the armed forces belong to the nation, not to me."

Navy Chief Prachet Siridet, meanwhile, said the Supreme Commander should not have the final say if he disagreed with the lists.

Adm. Prachet said close discussions between the Supreme Commander and the armed forces chiefs must be held in case the former had problems with the lists.

Both sides must fight with reasons, he said. However, if the Supreme Commander happened to win, he could not just change the lists right away but must allow the armed forces chiefs to nominate new persons, said Adm. Prachet.

This requirement would also apply if the Defence Minister wanted to make changes, he said.

Thailand: MP's Seek Replacement of Finance Minister

BK0108071096 Bangkok THE NATION in English 1 Aug 96 p A1, A2

[Unattributed report]+

[FBIS Transcribed Text] The stock market dived to a 33-month low yesterday amid new signs of cracks in the government, underlined by efforts to remove the new finance minister

Analysts attributed the fall to foreign investors and mutual funds having sold shares to make a profit during the slump.

But Deputy Prime Minister Thaksin Chinnawat, in a remark that might again pit him against his coalition allies, said the market's woes had something to do with a "lack of confidence" in the government's economic policies.

"I have friends in business circles and what I have heard is not encouraging," Thaksin said.

"The biggest problem is the lack of confidence, an image issue in general. It's a hard problem to solve, but we must move quickly to restore confidence"

Fifteen government MP's [Members of Parliament] yesterday signed a demand for Finance Minister Bodi Chunnanon's removal and replacement by Deputy Prime Minister Amnuai Wirawan. The majority of the MPs were from Amnuai's Nam Thai Party, one from Prachakon Thai and some from the New Aspiration Party.

Their letter to the prime minister did not directly blame Bodi for the serious and chronic economic problems", but it demanded that Amnuai, "who is accepted locally and internationally", be given the finance portfolio.

The Stock Exchange of Thailand index slid sharply to 1,064.04, the lowest level since October 1993. The composite index yesterday ended 32.98 points lower on a turnover of Bt4.9 billion.

Banhan, Amnuai, Bodi and the prime minister's economic advisers convened a meeting yesterday to discuss the situation. Small-time investors are planning a rally at the stock market tomorrow to demand the government's resignation.

Stock analysts attributed the sharp fallen infavourable economic forecasts and said that since the selling spree remained strong, especially by foreigners, the market had probably not yet reached its low point.

The finance and securities sector was the most affected, with the sectoral index losing 7.09 per cent. The rising interbank rate also drove away market liquidity and hurt finance companies.

Analysts from NFS, JF Thanakhom Securities and Premier Securities foresaw that the index could slip further due to the strong selling spree and investors' negative feelings over the way the govornment handles macro-economic problems.

"More bad news will come to the market if the U.S. Federal Reserve, at its August 24 meeting, decides to raise the discount rate to control inflation," said the NFS analyst.

Analysts urged investors to wait until there really is good news. Stocks in banking, energy and communications were recommended for long-term investment.

There was a chance of further falls and the only way the market could bounce back to normality was through an injection of Bt50 billion to Bt60 billion of new money, the JF analyst said.

Thailand: Paper Urges Government To Put 'House in Order'

BK0108082996 Bangkok THE NATION in English 1 Aug 96 p A4

[Editorial: "PM Has To Provide Crisis Management"]

[FBIS Transcribed Text] The Stock Exchange of Thailand tumbled again yesterday despite a series of meetings over the weekend by the concerned authorities over what to do with the present situation. At the same time, foreign investors continued to sell. The situation needs to be looked at calmly and in the proper context of investment behavior.

There are clear reasons why the market has been taking a beating lately. The main reason must be the political disorder that has persisted throughout the past year under this government. There is no one in charge of economic affairs and the prime minister often loses control when faced with various situations.

This fundamental problem, called management or politics, will mean that no matter what measures are passed to shore up the stock market, they will not be lasting. The key issue for the government is to put its house in order, although this is less likely within the short term because the premier cannot even command respect within his own party.

Prime Minister Banhan Sinlapa-acha will likely say, as he always does, that the economic issues will be handled from now on by the Economic Stabilization and Security

Committee. But that is a late solution to the problems because the economy always needs constant nurturing, and the government had failed to do so in the past 12 months.

The government's handling of the economic issues will also become more of a hot political potato with the opposition planning to highlight it in the upcoming no-confidence debate.

So, what can this government do to take care of the problem?

First, Banhan and his coalition partners must accept the fact that economic problems are real and cannot be solved by public relations campaigns or more talk. But more importantly, it must realize that it is the source of the problem and stop putting the blame on someone else — like Mr T just because he is a former banker who became finance minister under the Chuan government.

The prime minister, in the meantime, desperately needs the assistance of his coalition partners. He does not have anyone to help him oversee economic affairs and coordinate policies on a day- to-day basis. Banhan must stop acting like a contractor and solve the problems with a crisis-management attitude. His tendency to resort to short-term solutions does not endear him to the business community.

The government must also put its house in order. It has put political unity before everything else, but has failed even to achieve that. The rebellion within the Chat Thai Party is particularly damaging because some members are linked to a bank loan scandal. The prime minister was also responsible for the turmoil that hit Bank of Thailand. He has tried to put the blame on the former central bank governor and the former finance minister — something which is irresponsible because as premier he must tackle these problems with a hand-on approach rather than distancing himself from them and pointing the finger at others.

Foreign investors are expected to continue off-loading Thai stocks in the short and medium term as the government looks for ways to bring about stability and put its house in order. It must also be accepted that while foreign investors have thrown their full weight behind Thailand, they now want to reduce their exposure here.

So the market will continue looking out for signs of improvement in the political situation and a proper system to manage the economy. Without them, the market will continue to fall because there is no light at the end of the tunnel. If the coalition partners cannot help the prime minister, then they should start preparing for an election because there is nothing else left for them to do.

Thailand: Government's Spending Plans Cause Concern

BK0108054696 Bangkok BANGKOK POST in English 1 Aug 96 p 1 Business

[Article by Wichit Sirithawiphon and Ekkarin Phetsiri: "Confusing Signals Sent on Fiscal Policy"]

[FBIS Transcribed Text] The Banhan government's fiscal policy could be considered aggressive or even radical by some economists and financiers, since it runs counter to several economic conventions.

Economic action plans created by the Government in its first year have provoked harsh criticism and concern among many in the finance sector. Among other things, they are worried that looming inflationary pressure could tarnish the competitiveness of Thai business in the global arena.

Citing the need for several large development projects, the Government risks exacerbating inflationary pressure with a plan to increase the fiscal 1997 budget by 16.7 percent over this year's figure.

If it did so, the Government would be repeating what it did last year. Shortly after taking office in July 1955, the Banhan administration reviewed the fiscal 1996 budget, already approved by the Chuan Likphai government, and increased it by 11 billion baht (1.3 percent), to 843.2 billion baht.

For 1997 the Government is being much more ambitious, setting a budget of 984 billion baht, up 16.7 percent.

And while it shows no sign of willingness to rein in public sector spending, the Government is also urging cuts in interest rates. This is being strongly resisted by the Bank of Thailand which has been keeping rates to curb consumption and inflation.

The Government's decision to cut import duties on luxury goods, a small gesture in the wider scheme of things, is also seen as fuelling consumption by brand-conscious Thais. The move was made with good intentions, in the hope that Thais would stop buying such goods at home and the current account deficit could be nudged lower. But more consumption at home may not be the answer.

More worrisome is the fiscal 1997 budget, say members of think- tanks in the opposition Democrat Party, who have warned the Government to practise more fiscal discipline.

The World Bank has also cautioned the Thai Government to?be more frugal, and to spend the budget only in ways that are constructive for the development of essential projects.

The Government heeded the warning, delaying a plan to purchase some military equipment worth almost 20 billion baht. If the purchases went ahead the trade and current account balances would ???affected.

However, government leaders continue to maintain that most of the spending they have planned would largely benefit the public.

Still, many Government figures cannot escape accusations of pork barrelling — allocating special sums to certain areas for projects that would create favour among local voters and strengthen their constituent base for the next election.

Mr. Banhan himself was accused of unfairly earmarking special funds for the development of infrastructure in his own home of Suphan Buri, already one of the showplaces of the country.

Analysts said preferential budget allocations are a common phenomenon in Thai politics, but just because it's been going on for decades doesn't mean it should continue.

The decision by former finance minister Surakiat Sathianthai to cut tariffs on 13 categories of imported luxury goods provoked criticism from economists, who said the measure would be contrary to its own policy to stimulate public saving.

Finance Minister Bodi Chunnanon, who succeeded Dr. Surakiat, has also sent out confusing signals.

Mr. Bodi came up with the idea to cut the corporate tax from the current rate of 30 percent to 27 percent in a bid to aid the business sector, which is facing a decline in performance amid a general economic downturn.

Critics said this might please the business community but it would harm the country's taxation structure with the wider gap between the corporate and personal income tax.

They also say that wealthy business people might take the opportunity to evade personal income tax by ploughing money into new companies. The top personal income tax rate is 33 percent, so a businessman could make a tidy sum on a six-point spread by setting up a company taxed at 27 percent.

Mr. Bodi also proposed to cut the deposit interest tax, saying it would be an incentive for the public to save. The policy is not a new one — Dr. Surakiat floated it last year also.

However, some economists are wary of a reduction in deposit interest tax, saying it might encourage people to spend the additional interest they earned on deposits.

So while the Government gets credit for good intentions in some areas, the jury is out on whether it can come up with a long-term plan for economic and fiscal stability.

Thailand: Hmong Residents at Drug Treament Center Face Screening

BK0108095096 Bangkok THE NATION in English 1 Aug 96 p A7

[Report by Marisa Chimprapha]

[FBIS Transcribed Text] Members of the Hmong hill tribe residing at a Buddhist-run drug treatment center in Saraburi Province will not be included in a government scheme to allow illegal immigrants to work here on a temporary basis until their genuine status is proven, National Security Council deputy chief Khachatphai Burutphat said yesterday.

The Interior Ministry will soon screen all residents at Wat Tham Krabok, Khchatphai said. Many were believed to have connections with a right-wing armed movement fighting to overthrow the Vientiane government. The monastery acts as a job placement agency for Hmong people wanting to work in Saraburi and nearby provinces.

"Screening is required first for Laotians at the monastery to determine their status, whether they are drug addicts seeking treatment from the monastery or just Hmong who have exploited the center for illegal activities," he said.

"The presence of the Hmong in the monastery is a sensitive issue that has hurt Thai-Lao bilateral relations. The scheme could cause a misunderstanding if it includes Hmong because the Laotian government might imply that we recognize their presence and allow them to work," Khchatphai said.

"We cannot recognize those in the monastery without screening them to determine their actual status. We also want to know what is happening inside the monastery," Khachatphai said.

Khachatphai said that the monastery is suspicious because of the presence of a large number of Hmong, estimated to be about 10,000, in the monastery compound whose source of income is unknown. A senior Interior Ministry official said that the ministry expects to complete the screening process within the next three months.

"The Hmong who are present and others whose backgrounds are unknown make the monastery look like a lawless community," he added. The monastery has been under the direction of Phra Chamrun Panchan, who won the Magsaysay Award for his treatment of drug addicts at the monastery.

As a result of the screening, those who are not Hmong will be eligible to enter the government program that will allow illegal immigrants from Burma, Laos, and Cambodia presently in Thailand to work in 42 provinces for two years.

The presence of the Hmong at the Wat Tham Krabok is one of a few remaining issues that have caused friction in the relationship between Thailand and Laos.

The right-wing group led by Hmong leader General Vang Pao were backed by the Americans during the Indochinese war from the early 1960s to 1970s. Vang Pao is believed to be in exile in the U.S., but his supporters are still staging anti-government activities in Laos. Bangkok has sought to assure Vientiane of its policy of not allowing any group to use its territory to attack a neighboring country.

The Laotian government once reportedly arrested a member of an anti-government group who was found to be carrying an identity card issued by the monastery.

Khachatphai stressed that the scheme to regulate illegal immigrants includes registering them so as to know their exact number and whereabouts as a means of maintaining internal security.

Illegal immigrants eligible to enter the work scheme are required to have employers register them for employment and agree to pay guarantee fees on their behalf. Asked if the Hmong might try to exploit the scheme after it comes into effect, Khachatphai said local officials in Saraburi will be able to distinguish them from ordinary Laotians.

Vietnam

SRV: ROK Relations, Cooperation Viewed

BK3107105496 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 29 Jul 96

[Essay by Mai Chi]

[FBIS Translated Excerpt] [Passage omitted on socioeconomic achievements of the Republic of Korea] In the process of becoming an advanced industrial nation, Vietnam will find, in the Republic of Korea [ROK], a potential market for such things as oil and gas, consumer goods, and labor. Moreover, with its abundant labor force and rich and diversified natural resources, Vietnam will be very attractive to South Korean investors.

At present, the ROK is one of the largest foreign investors in Vietnam, with a total capital investment of $1.2 billion as of February 1996. It is Vietnam's third largest trading partner, with a two-way trade value of $1.6 billion in 1995. In the period 1992- 95, bilateral trade activities increased twofold, and investment fivefold. In the initial stage, ROK investments in Vietnam were by small- and medium-sized companies dealing in textile, leather and light industrial products. In the recent past, however, they have turned to key industrial projects and personnel training programs, expanding investments in the steel, car, electronics, telecommunications, and petrochemical industries.

According to the ROK Ministry of Commerce, Industry and Energy, to date, approximately 100 South Korean companies have invested and engaged in businesses in Vietnam, including such big companies as Daewoo, Samsung, and Lucky Gold Star. They are involved in a number of major projects in Vietnam. The East Asia Construction Group is currently participating in upgrading Highway No. 1 by setting up a joint venture to produce precast concrete and asphalt. The Hala Energy Group plans to build a 1.2-million kw thermoelectric power plant in Quang Ninh Province and a 120,000 kw plant in the central highlands. The steel products of the Posco Company and cars from the KIA, Daewoo, and Hyundai companies are becoming familiar to Vietnamese businessmen and consumers. The ROK has signed a $100 million ODA [Official Development Aid] for Vietnam, to help modernize its road system. The ROK has also given financial assistance for projects to supply clean drinking water in cities; provided positive training for the establishment of a stock market in Vietnam; and supplied equipment and money for a number of universities and vocational schools to upgrade their material- technical bases.

Cooperation in other fields has also been expanded. The two countries have exchanged visits by youth, journalist, and Red Cross delegations. Nevertheless, Vietnam-ROK cooperation has not been perfected. The Vietnamese labor issue at various ROK companies and enterprises has not been resolved, especially problems related to more than 10,000 Vietnamese workers currently working in the ROK. The two sides have made great efforts to resolve this issue.

It is hoped that during his visit to Vietnam this time, the ROK Foreign Minister will discuss and work out a solution with the Vietnamese side to develop positive points, resolve outstanding problems, and enhance Vietnam-ROK relations, to catch up with the potentials of the two nations and to meet requirements and interests in the development process of each nation.

SRV: Vo Van Kiet Urges Development in Mekong Delta

BK3107100996 Hanoi VNA in English
0719 GMT 31 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 31 — Prime Minister Vo Van Kiet has called for greater concerted efforts to accelerate infrastructure development in the Mekong Delta's isolated areas and former revolutionary bases.

'We must make full use of available human and natural resources for rapid development of infrastructure facilities in these districts as it is a driving force for stronger socio-economic development,' PM Kiet told local authorities during an inspection tour of nine provinces in the delta, the country's biggest granary.

PM Kiet, during his 10-day visit which ended on July 28, had working sessions with officials from 21 remote districts in these provinces and relevant bodies on how to mobilise every local potential and manpower for economic development in the areas, particularly in former revolutionary bases.

Discussions also focussed on steps to be taken to realise the party's resolutions mapped out at the recent Eighth National Congress in accordance with specific conditions in each region so as to achieve socio-economic goals set for the 1996-2000 period. Accelerating the national industrialisation and modernisation programme, especially in districts where people earn their living mainly from agricultural production, or fishing and aquaculture, was also examined.

The Mekong Delta provinces have posted considerable socio-economic development growth rates over the past years. The rice output of many districts over the last five years have increased by 1.5 and two times compared to the 1985-90 period. Acreages cultivated with cash and industrial crops have soared sharply and water surfaces zoned off for aquaculture, particularly shrimp rearing, have also increased, thus helping raise the delta's total output of foodgrains and export earnings.

As a result, the delta's rural areas have changed their face with between 35-70 percent of households in remote districts such as Tan Thanh (Long An province), Hon Dat (Kien Giang) and Thoi Binh (Minh Hai) having thatched wood houses or permanent houses and 70 percent of the local population in some districts having access to electricity.

Most villages have medical stations and enrolments have increased constantly with every school year.

Stressing the difficulties faced by the locals in these isolated areas, including poor infrastructure, low educational standards and other social problems which require more efforts to address, P.M. Kiet urged local authorities to work harder to develop a master plan for economic development in the region which, he said, is vital in the national food security scheme.

'In the near future locals must build better irrigation networks, apply a new suitable production structure as well as relocate some population for further agricultural development,' PM Kiet said.

More investment should be put into transport and communications and the rural electrification programme should be promoted so that some percent of [words indistinct] in the areas can get access to electricity at the end of the century, he added.

SRV: Political Bureau Advice Regarding Illegal Coal Mining

BK3107105296 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 30 Jul 96

[FBIS Translated Text] Following reports from Radio Voice of Vietnam and the Vietnam Television Station that illegal coal mining activities in Quang Ninh province have resurfaced in a more complex fashion than in 1995; and that because of technical failures, a total of 10 cases of coal shaft collapses, fires caused by gas explosions, and toxic gas asphyxiation were reported at various illegal coal mining sites over the first four months of the year, resulting in many deaths — not to mention several other labor accidents occurring in coal production — the party committee and people's committee of Quang Ninh province and the Vietnam Coal General Corporation have reported the situation to the Political Bureau. The following is the advice they received from the Political Bureau Standing Board on 17 July:

In order to gradually reach an essential solution to the illegal coal mining situation, the party committee and people's committee of Quang Ninh province, the Vietnam Coal General Corporation, and relevant sectors must continue to satisfactorily comply with recent instructions from the prime minister. In the immediate future, attention must be paid to the following:

— Rechecking to ensure the appropriateness of each coal mining area distributed to participating corporations under the Vietnam Coal General Corporation. Efforts must be made to clearly define the responsibility of each corporation or unit for safeguarding and effectively exploiting its assigned mining area.

— The central government and the locality concerned, as well as the ministry of industry and the Vietnam Coal General Corporation, must continue to cooperate in discussing measures to coordinate management by sectors in accordance with territorial organizations on the basis of the law on natural resources and mineral ores, in order to protect our natural resources and maintain order and security for the mining areas.

— Party committee echelons and party organizations must provide guidance for satisfactory cooperation among the various work forces of the coal sector, local administration, and mass organizations, and must combine forced administrative measures — to be taken in cases of deliberate violation — with didactical measures to motivate the population to refrain from engaging in illegal exploitation of, and trafficking in, coal.

— The province and the Vietnam Coal General Corporation must draw on experience and continue to step up organizing a pattern of activities for the exploitation of coal on various scales — large, medium, and small.

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